

JPRS-KAR-85-073

3 December 1985

Korean Affairs Report



FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

3 December 1985

KOREAN AFFAIRS REPORT

CONTENTS

INTER-KOREAN AFFAIRS

Naewoe Sees North's Joint Venture Project as Failure (THE KOREA TIMES, 9 Nov 85).....	1
Surveillance Flights Stepped Up Against Soviet Aircraft (THE KOREA HERALD, 16 Nov 85).....	4
Japanese Daily Cited on Crash of DPRK MIG's in August (YONHAP, 16 Nov 85).....	8
Changes Noted in Relations Between JCP, N. Korea (THE KOREA HERALD, 13 Nov 85).....	9
JCP Denounces N. Korea's 'Hegemonistic Attitudes' (THE KOREA HERALD, 13 Nov 85).....	11
Briefs	
USSR's Shipyard Orders in North	12
Nakasone on N-S Relations	12

SOUTH KOREA

POLITICS AND GOVERNMENT

Daily Emphasizes Importance of U.S. Forces in Korea (Editorial; THE KOREA HERALD, 7 Nov 85).....	13
Assembly Resentment of U.S. Trade-Related Pressures Viewed (Kim Myong-sik; THE KOREA TIMES, 10 Nov 85).....	15
Party Leaders Seek To Break Political Deadlock (THE KOREA HERALD, 31 Oct 85).....	17

Daily Blames NKDP's Structural Weakness, Instability (Editorial; THE KOREA HERALD, 31 Oct 85).....	19
Opposition Parties React to Assembly's Newly-Elected Vice Speaker (THE KOREA TIMES, 1 Nov 85; YONHAP, 28 Oct 85).....	21
NDP Furious Over DJP's Vote	21
NDKP Expels Cho	21
NKDP Decision To Attend Regular National Assembly Session (Various sources, 2-4 Nov 85).....	23
Constitutional Revision Main Aim	23
Preparing for Committee Sessions	24
Lawmakers To Attend Session	25
National Assembly To Resume Sessions (THE KOREA TIMES, 5 Nov 85; THE KOREA HERALD, 1 Nov 85).....	27
Spirit of Mutual Accommodation Urged, Editorial	27
Rival Parties Break Deadlock	28
ROK Daily Views Assembly's Committee Sessions (THE KOREA TIMES, 9 Nov 85).....	30
Reportage on Student Protests, Demonstrations (THE KOREA TIMES, 7, 8 Nov 85; THE KOREA HERALD, 30 Oct, 7 Nov 85).....	34
On-Street New Trend	34
Protesting U.S. Trade Pressure	35
800 Stage Rallies	35
Rallies at Six Universities	35
Reportage on Student Activities, Arrests, Punishments (THE KOREA TIMES, 8 Nov 85; THE KOREA HERALD, various dates).....	37
Dissident Forbidden Family Visits	37
Leniency for Intruders	37
102 Students Expelled	38
Concern Over Student Activism, Editorial	39
287 Students Disciplined	40
Reportage on Seizure of AMCHAM Office (Various sources, various dates).....	41
Education Minister Expresses Regrets	41
Governmental Channels Preferred, Editorial	42
Editorial Deplores Seizure	43

U.S. Businesses on Alert	44
YONHAP on Police Announcement	44
U.S. State Department Confirms Seizure	45
Chon Warns Against Use of Culture for Politics (THE KOREA HERALD, 31 Oct 85).....	47
Japanese Weekly Notes Chon's Efforts for Power Transfer (THE KOREA HERALD, 6 Nov 85).....	48
Emigration Law To Be Reinforced (THE KOREA TIMES, 16 Oct 85).....	49
Briefs	
Debt Issue Criticized	50
NKDP Delegation To Visit Japan	50
NKDP Leader Threatened	50
Students Demand Combined Trial	50
University Students on Reunification	51

MILITARY AFFAIRS

Defense Security Command on Arrests of 16 Spies (THE KOREA HERALD, 2 Nov 85).....	52
Briefs	
ROK-U.S. CFC Anniversary Celebration	54

ECONOMY

KIET Report Foresees Huge Trade Surplus in 2000 (YONHAP, 16 Oct 85).....	55
Media Responds to KDI's Low Economic Growth Predictions (THE KOREA TIMES, 7 Nov 85; YONHAP, 5 Nov 85).....	57
KOREA TIMES Editorial	57
YONHAP Comments	58
Development Institute Report on Economic Prospects (YONHAP, 6 Nov 85).....	60
Nation Sees Economic Upturn in September (YONHAP, 12 Nov 85).....	62
Lower Interest Being Planned for Deferred Payment Exports (THE KOREA HERALD, 12 Nov 85).....	64
Investment Needs Expected To Be Met by Savings by 1986 (YONHAP, 30 Oct 85).....	66

Labor Disputes Total 225 This Year (THE KOREA HERALD, 6 Nov 85).....	67
Labor Affairs Ministry Report on Labor Union Disputes (YONHAP, 9 Nov 85).....	69
Joint Agreement With British Firm on Oil Exploration Expected (THE KOREA TIMES, 10 Nov 85).....	70
Briefs	
Reconsideration of U.S. Fishing Quotas	72
Rice Harvest	72
Energy Conservation	72
Oil Import Source Diversification	73
Fourth Quarter Economic Improvement	73
\$45.4 Billion Outstanding Loans	73
SOCIAL CONDITIONS	
Briefs	
Red Cross Anniversary Observed	75
SCIENCE AND TECHNOLOGY	
Briefs	
Broadcast Communication Satellite	76
KOREANS IN JAPAN	
Briefs	
December Date Set for Talks	77
FOREIGN RELATIONS	
U.S. Embassy Denies Report on Business Visa Restriction (THE KOREA TIMES, 1 Nov 85).....	78
Daily Welcomes Weinberger's Remarks on Military Aid (Editorial; THE KOREA HERALD, 18 Oct 85).....	79
Envoy to UN Stresses Utilization of UN Forum for Contacts (THE KOREA HERALD, 7 Nov 85).....	81
KOREA HERALD Urges NKDP To Rethink JSP Contacts (Editorial; THE KOREA HERALD, 12 Nov 85).....	83
Ex-Envoy to Japan Calls for Logic on Fingerprinting Issue (THE KOREA HERALD, 6 Nov 85).....	85
Briefs	
Japanese Crown Prince's Visit Denied	87
AFKN-TV Asked To Adjust Broadcast Area	87

Bilateral Cooperation With Japan	87
Korea-Ireland Economic Committee	88
Socialist International Membership for SDP	88
Kuwait-Baghdad Flights Suspended	88
ROK-Uruguay Economic, Science Agreement	88
Consultative Meeting in Paris	89
Establishment of Embassy in Mbabane	89
Chapter Withdraws From AI	89
U.S. Liaison Offices in Korea	89

FOREIGN TRADE

ROK, U.S. Narrow Differences Over Film Industry Opening (THE KOREA HERALD, 1 Nov 85).....	90
Nation May Appeal to GATT Over U.S. Protectionist Measures (YONHAP, 6 Nov 85).....	91
Government Allegedly Imports Hazardous U.S. Coal (THE KOREA TIMES, 12 Nov 85).....	92
Nation May Consider Diversified Import Sources (THE KOREA HERALD, 6 Nov 85).....	94
Nation's Trade Deficit Decreases Gradually (YONHAP, 1 Nov 85).....	97
ROK, Indian Officials To Discuss Ways Out of Trade Slump (YONHAP, 5 Nov 85).....	98
Nation's Invisible Trade Deficit Doubled in Jan-Sep (YONHAP, 2 Nov 85).....	99
Nation Seeks Improved Access to European Markets (THE KOREA HERALD, 12 Nov 85).....	100
Flaws in ROK Documents Cause Antidumping Charge on Albums (YONHAP, 7 Nov 85).....	101
ROK-ASEAN Business Club To Visit Thailand, Indonesia (YONHAP, 8 Nov 85).....	102
Daily Urges Caution in Proceeding Market Opening (Editorial; THE KOREA HERALD, 31 Oct 85).....	103
Timing, Format of Insurance Market Opening Due Shortly (THE KOREA HERALD, 9 Nov 85).....	104
Report on Japan's Import Restrictions Regarding ROK Products (YONHAP, 11 Nov 85).....	106

Minister Explains Measures To Cope With Protectionism (YONHAP, 1 Nov 85).....	108
--	-----

Briefs

Dumping Charge Investigation	109
ROK, Japanese Silk Talks	109
U.S. Market-Opening Demands	110
U.S. Trade, Market Demands	110
Construction Contract in Iraq	110
U.S. Economic Pressure	111

INTERNATIONAL COMMENTARY

KOREA TIMES Previews Reagan-Gorbachev Meeting (Editorial; THE KOREA TIMES, 9 Nov 85).....	112
--	-----

NORTH KOREA

POLITICS AND GOVERNMENT

NODONG SINMUN on Factors Defining Man's Social Position (KCNA, 8 Nov 85).....	114
--	-----

ECONOMY

Application of Taaen System in Management Urged (KCNA, 10 Nov 85).....	116
Bright Future for Nonmetallic Minerals Export (Li Chang Hui; FOREIGN TRADE, Nov 85).....	118

SOCIAL CONDITIONS

KCNA on Number, Training of Technicians, Specialists (KCNA, 5 Nov 85).....	124
---	-----

KOREANS IN JAPAN

Korean Residents in Japan Support South Korean Students (KCNA, 14, 15 Nov 85).....	126
Chongyon Functionaries Support Struggle	126
Japan-Resident Koreans Support Struggle	127

FOREIGN RELATIONS

DPRK Signs Cooperation Agreement With Zambia (Pyongyang Domestic Service, 7 Nov 85).....	128
---	-----

INTER-KOREAN AFFAIRS

NAEWOE SEES NORTH'S JOINT VENTURE PROJECT AS FAILURE

SK090041 Seoul THE KOREA TIMES in English 9 Nov 85 p 6

[Text] North Korea promulgated the "Joint Venture Law" in September last year in an effort to induce foreign capital especially from the West, but the one-year outcome turned out to be not very positive, the NAEWOE PRESS reported yesterday.

The press specializing in Communist affairs stated that North Korea succeeded in concluding only 10 joint venture projects with foreign partners.

Quoting recent Chinese PEOPLE'S DAILY reports, NAEWOE said that 30 other projects were under negotiation between North Korean authorities and overseas partners, some 70 percent of them Japanese.

Of the total 40 joint venture projects, concluded or negotiated, 26 involved Western organizations. The rest were with Communist countries.

The figure shows an increase of 2.4 times compared with 11 joint venture negotiations carried out during the year before the promulgation of the Joint Venture Law.

Japan has emerged as the most outstanding business partner of North Korea by taking up as many as 18 joint venture projects, followed by France, which scored three. West Germany, Hong Kong, Thailand and India have joined in one project each.

Nineteen of the joint venture projects were concerned with manufacture, six with science and technology, five with transportation and five others with tourism.

The first visible result of North Korea's Joint Venture Law is, according to NAEWOE PRESS, the Nakwon Department Store which was opened in February, this year.

A joint venture between North Korea and the Asahi Trading Co. of Japan, the department store now has its main office in Pyongyang and 31 chainstores across North Korea. The stores sell commodities imported from Japan for foreigners' use.

In March, this year, the North Koreans started building a 46-story tourist hotel on Yanggak islet in the Taedong River in collaboration with French construction firm Bernard.

In April, a "Taedonggang Automobile Maintenance Factory," a joint venture between North Koreans and pro-Pyongyang businessmen in Japan, began operation.

A Western-style restaurant was opened in Pyongyang in May as another fruit of a deal between North Korea and Japanese businessmen.

North Korea, meanwhile, has reached agreement with Japanese businessmen on the construction of a metallic factory in Nampo and an agreement with Hong Kong for the opening of a tire factory in Hamhung.

Negotiations are reportedly well under way with France for a joint venture project to produce liquor and soft drinks, with Sweden for a furniture factory and with Thailand for a can-producing facility.

The cause of the sluggishness of joint ventures between North Korea and overseas partners can be found in the regime's closed economic system.

The domestic market is too limited to induce the profit-seeking businesses of the West, NAEWOE said.

In desperate efforts to find a breakthrough in promoting joint ventures with the capitalist bloc, North Korea has been stepping up its economic diplomacy toward Japan in recent months.

North Korean chief Kim Il-song himself showed a strong gesture of invitation to a group of Japanese businessmen when he met them in Pyongyang last September.

He told the group led by Den Kawakatsu, chairman-president of Nankai Electric Railway Co. that expansion of economic exchanges between North Korea and Japan should be carried out in such a way as to avoid repercussion from the Republic of Korea, the United States or opposing forces in Japan.

He then proposed establishment of joint ventures and technical cooperation related to 13 projects.

North Korea, in its efforts to encourage the inflow of capital and technology from Japan, has announced five projects of constructing large-scale factories including a refinery that can process 200,000 tons of lead and zinc annually.

Experts say that the "self-sufficient" economic policy of North Korea remains intact despite its push for joint ventures.

They say that the partial economic opening in North Korea with the Joint Venture Law will die soon, as it is designed to ease the current economic stagnation in the country.

Kim Il-song himself gave credit to these predictions last June when he told the Japanese magazine SEKAI in an interview that economic cooperation with capitalist countries will result in economic dependency.

He also said that North Korea would not accept foreign capital, stressing that economic subordination will bring forth political dependency.

/6662

CSO: 4100/028

3 December 1985

INTER-KOREAN AFFAIRS

SURVEILLANCE FLIGHTS STEPPED UP AGAINST SOVIET AIRCRAFT

SK160047 Seoul THE KOREA HERALD in English 16 Nov 85 pp 1, 2

[Text] Gen. Kim In-ki, Air Force chief of staff, said yesterday that an F5 Chegon (Sky Master) scrambled on Oct. 24 to pursue a Soviet fighter TU16 flying over international waters in the West Sea.

Kim said that the Soviet Union recently inaugurated a new military air route that links Vladivostok with the East China Sea via North Korea and the West Sea.

In testimony before the National Assembly National Defense Committee, he said that the Russians have increased the number of reconnaissance flights along the route.

"Our Air Force is stepping up surveillance flights over international waters by scrambling when Soviet planes pass over the West Sea," Kim said.

He said that an Air Force F4 Phantom fighter tracked a Russian bomber TU95 crossing international waters in the West Sea Sept. 13.

The Air Force is reinforcing its strength "in a realistic and substantive manner" to cope actively with North Korea's drastic military buildup and close military cooperation with Moscow and aerial provocations from North Korea, he said.

"We have remarkably modified the operational procedures of the present air defense strategy to develop our aerial surveillance capabilities," he said.

The nation has established a thorough air defense preparedness by educating strategic personnel on real-war situations, he said.

"Our Air Force has contrived new strategical concepts to cope with MiG-23s," he added.

In other testimony, Gen. Chong Ho-yong, Army Chief of Staff, told the Defense Committee that the number of North Korean military service members has risen from 540,000 in 1975 to the present 880,000.

Chong also said that the paramilitary forces in North Korea including the Workers-Farmers Red Army number 5,220,000.

North Korea established a mechanized army early this year while developing existing mechanized divisions into mechanized brigades, the Army chief of staff said.

Since 1975, North Korea has added 1,600 tanks, 1,100 armored carriers, 2,140 field guns to its military arsenal, he said.

North Korea, he said, also purchased 500 helicopters and SCUD-B surface-to-air missiles.

Meanwhile, the Assembly convened three other standing committees to continue deliberations on bills and other items.

In response to lawmakers' questions at the Finance Committee, Minister of Finance Kim Manh-je said that the government plans to extend the application of the Defense Tax by five years.

Kim said that the timing for achieving military equilibrium between South and North Korea is being delayed because North Korea has been making steady military buildups.

The minister also said that in the light of "our financial conditions," it is difficult to find sources of revenues that come from the defense taxes.

The Defense Tax Law was enacted in 1975 for a five-year application, and its time limit was extended by five years in 1979.

He also said that the government will abolish a system of imposing taxes on dividends on paper to enable businesses to reserve part of their profits and improve their financial positions.

The government instead will levy taxes when stock owners sell their stocks, he said.

The minister said that foreign investments licensed by the government totaled \$2,364 million as of the end of last October.

Remittances made by foreign businesses operating in Korea were \$47 million in 1980, \$57 million in 1981, \$55 million in 1983 and \$67 million in 1984, he said.

Minister of Sports Yi Yong-ho, meanwhile, said that a total of 38 international sports events were sponsored in Korea at the expense of 12.84 billion won during the past five years.

Minister Yi said that the figure broke down to three in 1981, four in 1982, seven in 1983, eight in 1984 and 16 this year.

The sponsorship of international sports events was aimed at helping improve the nation's international prestige as well as preparing for the 1986 Asian Games and 1988 Seoul Olympics, he said.

Minister of Education Son Chae-sok said that 1,657 professors and secondary school teachers were dispatched to foreign countries in 1980-1984 for training purposes at the cost of 6,545 million won.

He also said that a total of 2,510 college students and young people went abroad during the same period for overseas training.

Minister of Government Administration Pak Se-chik said that a total of 36,251 million won was spent in 1981-1984 to finance government officials' overseas tours.

Rep. Yi Chung-chaе of the New Korea Democratic Party demanded that the Income Tax Law be amended to raise the individual income tax exemption level from the present 300,000 won a month to 500,000 won.

In the meantime, Deputy Prime Minister Sin Byong-hyon said that the government is working on a plan to integrate three different funds for promoting machinery and electronics industries and for petroleum stockpiles.

Sin also said that a study is under way to unify funds for grain price stabilization and promotion of livestock.

The deputy prime minister was fielding questions at the Budget Settlement Committee.

Members of the 50-member committee concentrated their questions on uncollected tax revenues totaling 961.7 billion won and ways of reducing the nation's foreign debts.

They also called for the integration of various kinds of funds.

Opposition members of the committee demanded that the government reduce the number of tax brackets from the present 16 to 12 to decrease tax burdens on low-wage earners.

In other testimony, Minister of Home Affairs Chong Sok-mo said that the sit-in staged by members of the opposition Council for Promotion of Democracy Monday to denounce the alleged torture of suspects was unlawful.

There were fears that the rally might affect the court rulings on relevant cases involving student activists, and the police dissuaded people from joining the sit-in, the minister said.

The police stopped student activists at the entrance of the CPD office from taking part in the unlawful rally, he said.

With regard to the alleged torture of suspects, Chong said that the government was afraid that the unlawful meeting might trigger groundless rumors.

"Those who participated in the rally broke up of their own accord, and none of them were taken to the police for interrogation," he said.

/6662

CSO: 4100/028

INTER-KOREAN AFFAIRS

JAPANESE DAILY CITED ON CRASH OF DPRK MIG'S IN AUGUST

SK160810 Seoul YONHAP in English 0758 GMT 16 Nov 85

[Text] Tokyo, Nov. 16 (OANA-YONHAP)--Two North Korean MiG-23 fighters crashed last August during a formation training mission over North Korea, the YOMIURI SHIMBUN reported Saturday.

The vernacular daily, which is published here, quoted a Japanese military source as saying that the two fighters collided over North Korean air space on or around Aug. 5.

The collision was first spotted through a special radar screen network, the military source said.

Considering the velocities of the two aircrafts, they were identified as MiG-23s recently delivered to North Korea by the Soviet Union.

The source declined to specify, for security reasons, which radar monitoring unit--that of the U.S. forces in South Korea, the South Korean Air Force, the U.S. forces in Okinawa or the Japanese self-defense force--detected the collision.

The YOMIURI, however, suggested that the Japanese unit may have detected the accident. The daily quoted analysts as saying that the Japanese self-defense radar unit can cover all of the Korean peninsula, although its official scanning range is several hundred kilometers.

In the wake of the accident, the North Korean Air Force did not perform any ceremonial flights during its national ceremonies commemorating the 40th anniversary of Korea's liberation from Japanese rule on Aug. 15, the source said. The North Korean Army and Navy staged ceremonial military performance, on that date, however, he added.

North Korea has received 30 MiG-23's from the Soviet Union since last May, according to a U.S. Defense Department analyses.

The accident proved that, although Soviet military advisers are training them, North Korean pilots have not yet learned to fly MiG-23's in formation, a Japanese Air Force official said.

/6662
CSO: 4100/028

INTER-KOREAN AFFAIRS

CHANGES NOTED IN RELATIONS BETWEEN JCP, N. KOREA

SK130025 Seoul THE KOREA HERALD in English 13 Nov 85 p 4

[Text] The Japan Communist Party has virtually proclaimed an end to its relations with Pyongyang by denouncing the North Korean Workers' Party as a "hegemonistic" group, a North Korea watcher says.

Kim Chang-sun, director of the Institute of North Korean Studies, said yesterday that the development also shows that Pyongyang is beginning to lose credit even among international Communist Parties.

He said the JCP action deserves attention with regard to signs that it is reconsidering its policy toward the Korean peninsula.

Kim noted that in recent years, some officials of the JCP have been calling for an improvement of its relations with Seoul.

Unlike the Japan Socialist Party, the JCP has not been on good relations with the North Korean Workers' Party in recent years.

It has often criticized Kim Il-song for attempting to initiate a "hereditary power transfer system."

The party also charged that the so-called Kim Il-song-ism is not true Marxism.

The North Korean expert said that the relations between the JCP and the North Korean party went sour abruptly after the Pyongyang-engineered Rangoon bomb incident in October 1983, which killed 17 South Koreans.

Soon after the incident, the JCP issued a statement censuring the Pyongyang regime for "committing a terrorist act unforgivable under international laws and humanitarian grounds."

Since that time, the party has from time to time published articles criticizing Kim Il-song's "chuche" ideology and his attempt to hand over power to his son, Chong-il.

It labeled the chuche ideology "only a false Marxist-Leninism and very unscientific ideology."

The Rangoon bomb attack also caused the party to reconsider its views on South and North Korea, Kim said.

For example, the party made it clear that the 1950-53 Korean War was provoked by North Korea which was seeking to communize the Korean peninsula.

It also strongly censured several groups in Japan which were supporting the ideology of Kim Il-sung.

Kim said that the JCP's decision to include in its convention resolution a denouncement of the North Korean Workers' Party should be understood in such a context.

He also noted that the JCP appears to have realized that it would not be in its interest to maintain relations with North Korea, especially in terms of voter support.

/6662

CSO: 4100/028

INTER-KOREAN AFFAIRS

JCP DENOUNCES N. KOREA'S 'HEGEMONISTIC ATTITUDES'

SK130013 Seoul THE KOREA HERALD in English 13 Nov 85 p 1

[Text] Tokyo (YONHAP)--The Japan Communist Party denounces North Korea's Workers' Party for practicing a "barbaric form of hegemonism" in a draft resolution that will be adopted as its 17th party congress starting Nov. 19, the MAINICHI SHIMBUN reported Tuesday.

The resolution makes the accusation in a reference to the fatal shooting of a Japanese fisherman by a North Korean patrol boat in the Sea of Japan in July last year. It declares that "the shooting at a Japanese fishing boat is a barbaric form of hegemonism."

This is, however, the first time that the Japanese Communists have inserted a criticism referring to the name of North Korea's ruling party in their measure presented to a party congress, said the national circulated daily, adding that the change is noteworthy in connection with the party's ongoing review of policy on the Korean peninsula.

In a passage on hegemonism, the resolution describes North Korea's actions at the military demarcation line dividing South and North Korea and the case of the fishing boat incident as a barbaric form of hegemonism flouting the principles of scientific socialism and international laws, and denounces the North Koreans for attacking "our party because we refuse to follow their line."

The document states that "our party resolutely rejects the hegemonist attitudes of the Workers' Party which forces on our people its doctrines and ideas claiming to be lauded as the leading thought of the world, with 'ism' added to its leader's name, fostering various kinds of following groups."

The JCP says in a revised party platform announced in April that it acknowledges the existence of two governments in Korea. The party has consistently adhered to two positions for its policy on the Korean peninsula--its objection to the Treaty on Basic Relations Between Seoul and Tokyo and recognition of North Korea. But now it is moving in the direction of setting up working relations with Seoul, the MAINICHI said.

/6662

CSO: 4100/028

INTER-KOREAN AFFAIRS

BRIEFS

USSR'S SHIPYARD ORDERS IN NORTH--Tokyo (YONHAP)--The Soviet Union has for the first time placed large orders at North Korean shipyards this year for the construction of various kinds of ships and movable piers, the KYODO NEWS SERVICE reported Wednesday quoting the Soviet official news agency TASS. Saying shipbuilding is a promising field of cooperation between the Soviet Union and North Korea, TASS reported that the Soviets and North Koreans are negotiating more contracts for the construction of cargo vessels, lumber carriers, tugs, fishing boats and other kinds of ships, according to the KYODO report. [Text] [Seoul THE KOREA HERALD in English 14 Nov 85 p 1 SK] /6662

NAKASONE ON N-S RELATIONS--Tokyo, Nov. 16 (YONHAP)--Japanese Prime Minister Yasuhiro Nakasone said Friday that Korea has been weighed heavily in his foreign policy since he took office. In a meeting with Yi Kyu-ho, Korea's new ambassador to Japan, Nakasone said he is not optimistic about the future of relations between Seoul and Pyongyang. Nakasone confirmed his intention to continue to support South Korea's stand on the inter-Korean talks, saying that the question should be settled through mutual dialogue. The visits by Nakasone to Seoul and by Korean President Chon Tu-hwan to Tokyo have improved relations between Korea and Japan to such an extent that no one can dispute that the two nations are in the same boat, the Japanese prime minister said. Nakasone then extended his hearty congratulations to Yi for the remarkable progress that Korea has achieved in many fields. Under the leadership of Chon, Korea has braved many difficulties, both at home and abroad, he said. In response, Yi said he would do his utmost to strengthen the friendly relations between Seoul and Tokyo. Yi paid a courtesy call on Nakasone after being inaugurated as Korea's new ambassador to Japan. [Text] [Seoul YONHAP in English 0238 GMT 16 Nov 85 SK] /6662

CSO: 4100/028

S. KOREA/POLITICS AND GOVERNMENT

DAILY EMPHASIZES IMPORTANCE OF U.S. FORCES IN KOREA

SK070058 Seoul THE KOREA HERALD in English 7 Nov 85 p 4

[Editorial: "U.S. Presence in Korea"]

[Text] Perhaps, the Korean peninsula is most often perceived in the world as an enduring vestige of the Cold War. Speaking militarily at least, the peninsula remains in a historically unprecedented state of confrontation across one of the most heavily armed borders in the world.

The United States and the Soviet Union will be holding summit talks November 19-20 for the first time in 7 years. And the Korean peninsula, by all indications, is likely to be given attention at the summit not matched for decades. We are interested naturally in what the superpowers will discuss about Korea.

President Ronald Reagan, in what appears to be a pre-summit move, recently met with Soviet journalists, defining the historical and current role of the American forces deployed on the peninsula. He said the United States has troops stationed in Korea "at the invitation of the South Korean Government, to help them there because of the Demilitarized Zone and the threatening nature of North Korea which attacked them without warning."

It must be pointed out that it was Pyongyang's invasion of the South in 1950 that led the UN Security Council to decide to help this republic defend its freedom. The United States, joined by other countries, sent its troops to Korea under the flag of the United Nations, which has helped ever since to deter a recurrence of war on the peninsula. Moreover, Seoul and Washington are allied under the Mutual Defense Treaty concluded in 1953.

Defying such historic background and the harsh realities existing on the peninsula, North Korea and its allies including the Soviets vociferously call for the withdrawal of American forces from Korea as if they pose a barrier to establishing peace here. It is absurd, of course, and is no more than a political bid to realize the pullout of the U.S. troops, which Pyongyang communists see as an obstacle for communizing the whole peninsula.

In our minds, any proposal to withdraw such deterrent force in the absence of an effective alternative can only jeopardize the security on the peninsula--

leading perhaps to renewed war which would surely suck in other countries in view of the peninsula's geopolitical position. It is especially so at a time when North Korea is stepping up its offensive readiness just north of the DMZ with the Soviets supplying an up-to-date arsenal.

If the Soviets are really interested in securing peace on the peninsula, they should first refrain from doing what could encourage the Pyongyang regime to resort to military adventure. All told, the presence of the American troops in Korea is, in its nature, quite different from that of Soviet troops in Afghanistan and other countries.

The Soviets, instead of echoing Pyongyang's absurd call, should pause to look into the cause of the present situation on the Korean peninsula, with a sense of historical responsibility as an architect of the relentless Cold War--a prominent victim of which, undeniably, is Korea.

/9365

CSO: 4100/024

S. KOREA/POLITICS AND GOVERNMENT

ASSEMBLY RESENTMENT OF U.S. TRADE-RELATED PRESSURES VIEWED

SK100100 Seoul THE KOREA TIMES in English 10 Nov 85 pp 1, 4

[From the column "News in Review," by political editor Kim Myong-sik]

[Text] People who had reproached the intruders into the Seoul USIS 6 months ago were much milder in their criticism of those students who occupied the American Chamber of Commerce office last week.

An assemblyman even advised authorities to "appreciate the patriotic emotion" of the students who were accused of acts of violence and attempted arson.

The National Assembly floor, where 13 standing committees conduct daily interpellations of cabinet ministers for budget deliberation, heard the members of both political camps venting their resentment to the Americans for making trade-related pressures. The activities of foreign banks here, which include many American institutions, have emerged as a hot item in the debates at economic committees. Lawmakers demanded stricter control of their business to make it less profitable.

A ruling party lawmaker pricked the American Forces Korea Network (AFKN) in an apparent reaction to the trade controversy. He urged the government to have the TV network reduce the hours as well as areas of broadcasting, taking note of its "undesirable" impact on youths and the public in general.

The culture-information minister supported his claim and expressed hope that AFKN-TV will limit the area of telecast to USFK bases. Yet, he did not suggest any technical options such as the installation of cable TV systems.

While public sentiment was heavily preoccupied with the trade issue under a general atmosphere of stagnant economy these days, the political arena clearly became sober for the first time after the formation of the new assembly.

Campuses still remained in confusion with protests against the United States over the trade pressure added to the perennial issues of Kwanju, legitimacy of the government, etc.

In contrast, the assembly chambers maintained relatively orderly proceedings. Only the Steering Committee had three idle days because of the tension between

the floor leaders of the ruling and opposition parties sharpened by the Cho Yun-ha affair.

Some observers said it could be the calm before the storm, i.e., the opposition campaign for the constitution revision. But others noted that parties and individual members, were now keenly aware of the critical eyes of the electorate about the protracted political bickerings in the 12th-term assembly.

It was also pointed out that the opposition had to procrastinate the amendment campaign due to the still serious disarray in its own rank. The diverse factions have yet to iron out a concerted strategy for the ultimate goal, they said.

The government party, for its part, was desperate not to assume the blame for the trade problems. However, it was an extremely delicate task to convince the public of the current economic struggle in America while preventing any possible buds of anti-Americanism. There was much effort to prove no relation between the U.S. pressure and the current political situation in Korea in the face of the opposition's claim that it was a reaction to "slow political progress" here.

During the week of committee debates, the representatives raised a host of other issues, though few of them seemed to have brought about satisfactory response from the administration.

There is no torture in the nation's police lexicon as well as in practice, the recruitment of ex-military officers as diplomats does not go against the principle of equal opportunity and the problem of foreign debts has finally been contained, the administration explained.

/9365

CSO: 4100/024

3 December 1985

S. KOREA/POLITICS AND GOVERNMENT

PARTY LEADERS SEEK TO BREAK POLITICAL DEADLOCK

SK310050 Seoul THE KOREA HERALD in English 31 Oct 85 pp 1, 2

[Text] The leaders of the three major political parties are likely to meet next week in an attempt to break the deadlock resulting from the startling outcome of Monday's election for a vice speaker. Moves are underway between rival parties--the ruling Democratic Justice Party, the main opposition New Korea Democratic Party, and the minor opposition Korea National Party--to create a mood for the meeting.

Following separate meetings with DJP chairman No Tae-u and NKDP President Yi Min-u at his office Tuesday, speaker Yi Chae-hyong visited No yesterday to discuss ways of resuming the stalled regular session. The DJP chairman said that his 30-minute discussions with the speaker centered on finding a clue to "normalizing the stalemated assembly session."

"I think rival parties will discover a clue to the issue (arising from the election upset) after undergoing a cooling off period of several days. We will try to normalize the assembly session based on the clue," No said.

Prior to his visit to the DJP chairman, speaker Yi also huddled with KNP president Yi Man-sop and exchanged views on settling the issue. The KNP president stressed that the stalemate stemming from Monday's election should not be allowed to hamper the regular assembly session any longer. He called upon the speaker to arrange a meeting of the leaders of the DJP, the NKDP, and the KNP at the earliest possible date.

The minor opposition leader said that the election flap had nothing to do with the livelihood of the people and that the assembly should resume committee sessions without delay.

In reply, the speaker said that he would try to arrange a meeting of the three party leaders early next week after a pause of a couple of days.

Meanwhile, the DJP and the NKDP held separate meetings at their party quarters to talk about possible options for handling this election upset.

In a meeting of the DJP's Central Executive Committee, party chairman No said that there would not be any reshuffle in the leadership of the ruling party in connection with the startling outcome of Monday's election.

He said that he could not order his party's lawmakers to cooperate in electing Yi Yong-hui, the NKDP's nominee, because the nomination was apparently motivated to serve the personal interests of an individual. He did not name the individual but he obviously referred to Kim Tae-chung, co-chairman of the Council for Promotion of Democracy, who orchestrated Yi's nomination.

Describing party unity as crucial to overcoming the present difficulty involving Monday's election, No urged the ruling lawmakers to consolidate their solidarity.

Meanwhile, the NKDP issued a statement calling for the DJP to "apologize to the people" for breaking its political pledge (to vote for Yi) and take appropriate measures to take responsibility for it. The main opposition party said that it will carefully watch how the ruling party will react to the demand.

/9365

CSO: 4100/024

S. KOREA/POLITICS AND GOVERNMENT

DAILY BLAMES NKDP'S STRUCTURAL WEAKNESS, INSTABILITY

SK310059 Seoul THE KOREA HERALD in English 31 Oct 85 p 4

[Editorial: "Blow to NKDP Leadership"]

[Text] The political drama of a ballot upset in the National Assembly early this week involving the election of its vice speaker added an element of farce. It sadly disproved any claim to maturity and cohesiveness on the part of the major opposition New Korea Democratic Party.

For one thing, the electorate has been scandalized by the lack of effective leadership, principle, and consistent strategy within the opposition party loosely built around a couple of bosses and factional stalwarts. It is reflective of a lack of ideology and political commitment.

The mishap developed Monday when Representative Cho Yon-ha, a self-appointed candidate was chosen, instead of the officially endorsed candidate Representative Yi Yong-hui, to fill one of the two house vice speakerships reserved for the opposition camp. The storm in a teacup had been complicated by the entry of two more NKDP lawmakers in the contest.

The failure of the main opposition party to have its official nominee elected can be attributed also in part to the broken promise of the majority Democratic Justice Party to join forces with the NKDP in backing its nominee.

Of course, the DJP could and should have shown greater fidelity and unity in its ranks to make good the promise of cooperation. However, the role and responsibility of the DJP is only secondary and negligible.

The primary responsibility no doubt rests with members of the NKDP, especially its leaders and the two Kims pulling strings outside of the party. The internal dissension that caused the self-destructive dogfight among four vice speaker aspirants grew out of the shady power politics in the party hierarchy.

Such a structural fallacy is at the root of the weakness and instability of the NKDP. National Assembly portfolios or party offices are not to be tampered with and distributed according to the whim of certain bosses as political spoils and favors. The bitter lesson of the vice speaker flap should help reform and strengthen the major opposition party.

The people do not want a prolonged stalemate on the house floor as a result of the latest dispute. All parties concerned are called upon to work together to normalize the operation of the legislature by averting further unproductive partisan confrontation and acquiring fresh political wisdom.

/9365

CS0: 4100/024

S. KOREA/POLITICS AND GOVERNMENT

OPPOSITION PARTIES REACT TO ASSEMBLY'S NEWLY-ELECTED VICE SPEAKER

NDP Furious Over DJP's Vote

SK010055 Seoul THE KOREA TIMES in English 1 Nov 85 p 4

[Text] Representative Yi Min-u, president of the major opposition NDP, said yesterday that he does not have a bit of willingness to meet the ruling party leader to discuss the normalization of the stalled National Assembly.

He was still furious over the ruling DJP's breach of its promise to vote for NDP nominee Representative Yi Yong-hui as a vice speaker of the house Monday. Representative Chon Yon-ha, a "disobedient" candidate of the NDP, was elected.

Yi said, "How can I meet those who always lie."

Asked about how long the NDP would boycott the house session in protest of the election of the wrong candidate, Yi said, "We don't exist for the ruling party. We work for the people. And you can guess what I mean."

He made it clear that the NDP would not set any specific condition to the ruling party as prerequisite for attending the house session, saying, "We only want them (the DJP) to reflect themselves on what they have done."

Yi stood firm on his earlier position that Representative Cho should be expelled from the NDP for challenging the party's decision. Nonetheless, he parried further questions on that matter, saying, "Let's stop talking about the intra-party matters."

NKDP Expels Cho

SK281315 Seoul YONHAP in English 1251 GMT 28 Oct 85

[Text] Seoul, Oct 28 (OANA-YONHAP)--South Korea's main opposition New Korea Democratic Party (NKDP) decided Monday to expel newly-elected National Assembly vice speaker Cho Yon-ha from the party.

In its lawmakers' meeting, the NKDP made the decision by reason of Cho's "disobeying a party order and hurting the discipline of the party" in an election for National Assembly vice speaker earlier that day.

The main opposition party will hold a meeting of the party disciplinary committee soon to take proceedings for the dismiss.

When Cho is expelled from the party, he will remain vice speaker but become an independent lawmaker.

Cho became vice speaker in a hard-fought election, dealing a devastating blow to the NKDP leadership which officially nominated Party Secretary General Secretary Yi Yong-hui as its candiate.

/9365

CSO: 4100/024

S. KOREA/POLITICS AND GOVERNMENT

NKDP DECISION TO ATTEND REGULAR NATIONAL ASSEMBLY SESSION

Constitutional Revision Main Aim

SK040833 Seoul YONHAP in English 0804 GMT 4 Nov 85

[Text] Seoul, Nov 4 (OANA-YONHAP)--Yi Min-u, president of South Korea's main opposition New Korea Democratic Party (NKDP), said Monday that his party has decided to attend the regular National Assembly session unconditionally, in order to launch its struggle to revise the constitution.

"The ruling Democratic Justice Party's (DJP's) breach of its promise in a vice speaker election last week really aroused concerns that the party (DJP) does not have even a minimal comprehension of parliamentary democracy or party politics, but we decided to return to the National Assembly," Yi said.

In a news conference at the National Assembly, Yi said that the only way to solve various national difficulties, including problems of public welfare, is to bring about national democratization, and the core of the struggle for democratization is the struggle to amend the constitution itself.

"I and our party's lawmakers are determined to sacrifice ourselves for the struggle for constitutional amendment," Yi declared.

He also said that Korea faces many difficulties, such as campus unrest, human rights violations and trade frictions with advanced nations, because the incumbent government has lost its foundation of national support.

In response to Yi's press conference later in the day, Sim Myung-po, DJP spokesman, said that his party welcomes the opposition party's decision to attend the assembly session, and that it holds a long-range view that the session should be normalized.

The current deadlock in the regular assembly session was brought on by a dispute between the rival parties over the election of a vice assembly speaker on October 28.

Preparing for Committee Sessions

SK030056 Seoul THE KOREA HERALD in English 3 Nov 85 p 1

[Text] The ruling and opposition parties were busy yesterday preparing for the National Assembly committee sessions that are expected to start Tuesday.

The rival parties held separate meetings at their headquarters in a bid to settle intraparty feuds resulting from the controversial outcome of Monday's election of a vice speaker. Political sources said that the leaders of the three parties might meet tomorrow evening to find a way to break the deadlock resulting from the election upset.

The floor leaders of the three major parties--the DJP, the NKDP, and the KNP--are also expected to meet tomorrow to reschedule committee sessions.

Meanwhile, the DJP issued a warning against some of its lawmakers who ignored party chairman No Tae-u's call for cooperation in electing NKDP nominee Yi Yong-hui as a vice speaker.

In an expanded meeting of DJP officials, Representative Kim Sik, a chairman of the Assembly Agriculture-Fisheries Committee, apologized to No for not responding positively to his request for cooperation. Kim made the apology on behalf of 13 assembly committee chairmen.

The majority party chairman stressed that he would not tolerate any future disobedience on the part of party members. No said that if anyone exercises influence against the will of the party leadership, it would be regarded as detrimental to the party and would not be tolerated. He emphasized that the authority of the party leadership should not be undermined and that the party should achieve maximum solidarity.

The party will allow sufficient discussions before making decisions and once decisions are made, they should be faithfully implemented, he said.

Touching on the operation of the regular assembly session, he said that the ruling party would not put up with the opposition party's challenge to the legitimacy of the Fifth Republic as well as slander of the military and the head of state.

He also urged the assembly committee chairmen to exercise their political skills to ensure smooth operation of committee sessions.

Briefing reporters on the result of the meeting, DJP spokesman Sim Myong-po said that there would be no reshuffle among officials in connection with the election imbroglio.

The NKDP, on its part, reaffirmed that it would attend the panel session as early as possible, probably Tuesday, to resume its efforts for the constitutional revision.

The main opposition party decided to focus efforts on forming the proposed ad hoc committee for the revision of the basic law.

The NKDP will officially decide the date of attending the panel session at a party lawmakers' caucus tomorrow.

The opposition party will convene its disciplinary committee tomorrow to hear from the three lawmakers who defied the party decision by running for the vice speakership as self-declared candidates.

Meanwhile, Yi said he would ask the ruling party that the assembly committee session open in the morning to make up for lost time owing to the election controversy.

The National Assembly session customarily starts at 2 pm.

Lawmakers To Attend Session

SK020101 Seoul THE KOREA TIMES in English 2 Nov 85 p 1

[Text] The major opposition New Korea Democratic Party yesterday decided to attend the regular house sitting early next week, ending a week-long boycott.

The National Assembly, which has been stalled since Tuesday, will return to its normal activities as the ruling Democratic Justice Party is expected to follow suit. The stalemate of the regular house session was triggered by a row between rival parties over the election of a vice assembly speaker Monday.

The decision was made after Representative Yi Min-u, president of the NDP, had a series of meetings with opposition leaders Kim Yong-sam and Kim Tae-chung and key NDP post-holders, yesterday morning.

Yi revealed that his party would return to the National Assembly early next week to kick off a full-fledged struggle for the revision of the constitution.

Yi said that he would not meet with DMP leaders to discuss the normalization of the stalled house session. So he refused to attend a party leaders' meeting which was arranged by assembly speaker Yi Chae-hyong, at the speaker's official residence.

It was learned that the two Kims and NDP leaders called on Yi not to meet DJP leaders and to force the DJP to publicly apologize for breaking its promise to lend support to elect NDP nominee representative Yi Yong-hui as a vice speaker.

The vote returns Monday were in favor of Representative Cho Yun-ha, a "disobedient" candidate who ran for vice speaker, challenging the NDP leadership.

To appease Yi, Representative No Tae-u, chairman of the DJP, telephoned Yi to express regret for the results of the vice speaker election, early yesterday morning, and urged Yi to return to the house session. No also sent Representative Chong Chae-chol, state minister for political affairs, to Yi at his house Thursday to deliver his regret over the election.

However, Yi said, "I want the DJP to make a public apology before the people instead of the private one between No and me." He added that the NDP's demand for the public apology is not a prerequisite for attending the National Assembly. In the meantime, the DJP will discuss measures for the assembly operation in a meeting of chairmen of standing committees of the National Assembly and of the party's district chapters today.

/9365

CSO: 4100/024

S. KOREA/POLITICS AND GOVERNMENT

NATIONAL ASSEMBLY TO RESUME SESSIONS

Spirit of Mutual Accommodation Urged

SK050042 Seoul THE KOREA TIMES in English 5 Nov 85 p 4

[Editorial: "Political Accommodation"]

[Text] After a week-long hiatus caused by a controversy over the election of a vice speaker, the National Assembly is to resume operations today--in particular with regard to its standing committees, which had been scheduled to begin functioning last week.

However, prospects that committee sessions--and, for that matter, those of the parliament in general--will proceed smoothly seem to be bleak, as the opposition party is geared to mount harsh political offensive against the ruling camp, while channels of dialogue between the rival parties have been in disarray, hopefully only temporarily.

Still outstanding is the sharp bipartisan rift over what the main opposition New Korea Democratic Party charged was a "breach of promise" on the part of the ruling Democratic Justice Party, in the form of lending support to the election of an opposition maverick, instead of the official NDP nominee, to a vice speakership.

The opposition party has made it plain that its presence in the assembly, suspending its boycott, is not to forego the election dispute, which has been left unresolved, but to wage a stepped-up struggle for a constitutional amendment to effect the direct election of the president by popular vote, which it claimed is the core issue facing the nation today.

Such a hard-line opposition approach is certain to meet an equally tough reaction from the government party, which stands firm against any drive for rewriting the constitution, thus aggravating the already-tense political situation.

Underlying the political moves are subtle problems involving both parties, as the recent election controversy divulged the lack of cohesiveness in each party's leadership, though in differing degrees and, particularly in the opposition party's case, its vulnerability in terms of factionalism.

3 December 1985

What should be stressed at this stage is that the people at large are tired of the continuous political bickering and are more vitally concerned with productive, fruitful parliamentary sessions, in the face of so many pressing issues, internal and external.

In this regard, both the government and opposition parties are called upon to recover their composure in settling the aftermath of the election dispute, however sensitive it may be, and to display broadmindedness and a spirit of mutual accommodation in tackling the enormous national issues. After all, they are in the same boat with the entire people.

Rival Parties Break Deadlock

SK010009 Seoul THE KOREA HERALD in English 1 Nov 85 p 1

[Text] The installed regular National Assembly session is expected to resume next week, as behind-the-scenes negotiations are underway between rival parties to break the deadlock resulting from Monday's election of a vice speaker.

Following a series of separate meetings with the leaders of the three major parties Tuesday and Wednesday, Speaker Yi Chae-hyong met again with No Tae-u, chairman of the Democratic Justice Party, yesterday. Yi and No agreed to make common efforts to break the stalemate triggered by the election flap and resume the assembly session at the earliest possible date.

Emerging from his closed meeting with the DJP chairman, the speaker said, "I hope that the current stalemate will be resolved soon as rival parties share a sense of responsibility for it."

No said that he is hopeful of an early normalization of the stalled regular session because ruling and opposition parties are well aware that the deadlock, if prolonged, will benefit neither of them.

Meanwhile, the speaker plans to meet again with Yi Min-u, president of the New Korea Democratic Party, this week probably, today to discuss holding a meeting of the leaders of the DJP, NKDP, and the Korea National Party.

The ruling DJP, avoiding actions that may irritate the main opposition NKDP, decided yesterday to continue efforts to find a way to break the deadlock.

The NKDP, meanwhile, hinted at the possibility that it would agree to resume the assembly session without regard to the deadlock. Yi Min-u, president of the opposition party, said, "The assembly exists not for the DJP but for the people. We will determine next week whether or not we will attend the regular session."

Another party leader said that should the regular session continue to be stalled, it would undermine the opposition party's struggle for constitutional amendments.

He also said that he believes an early resumption of the regular session will help minimize the intraparty feud over the election flap.

The election reversal, in which the DJP allegedly broke its promise to cooperate in electing the NKDP's nominee, has paralyzed the assembly committee session, which otherwise would have started Tuesday.

In a related development, the ruling party decided to open every possible channel of dialogue with the opposition party. The decision was made in a meeting of the floor leader and vice floor leaders of the party yesterday morning. In keeping with the decision, ranking DJP officials began to contact their NKDP counterparts.

/9365

CSO: 4100/024

S. KOREA/POLITICS AND GOVERNMENT

ROK DAILY VIEWS ASSEMBLY'S COMMITTEE SESSIONS

SK090123 Seoul THE KOREA TIMES in English 9 Nov 85 pp 1, 6

[Text] Minister of Culture and Information Yi Won-hong said yesterday that the government is actively promoting civilian exchanges with communist countries. To this end, Yi said, the government plans to sponsor the publication of academic books and literature on Korea by nongovernmental organizations.

Among the organizations are communist affairs research institutes in colleges and universities, the Korean National Tourism Corp. and the International Cultural Society of Korea.

The minister was testifying before the National Assembly Education-Information Committee.

Minister Yi also said that domestic periodicals are distributed among communist countries through research institutes. Specifically, copies of the KOREA HERALD are sent to 21 communist countries including North Korea, while copies of English-language weekly KOREA NEWSREVIEW are sent to 23 communist nations including China and Vietnam, the minister said. Mozambique and six other countries receive copies of COURRIER DE LA COREE, a French-language weekly, he added.

The minister said that the nation has imported 27 movies for \$5,112,972 as of the end of last September.

Yi also disclosed that the state-run Korean Broadcasting System collected a total of 251,632 million won last year. The amount breaks down to 114,876 million won in subscription payments and 136,756 million won in advertisement revenue.

The Education-Information Committee was one of the 13 standing assembly committees that held sessions to continue preliminary debate on ministries' budget appropriations for fiscal 1986. Highlights of committee sessions are as follows.

Home Affairs Committee--Minister of Home Affairs Chung Sok-mo said that torture and other forms of cruelties should never be allowed in the course of interrogation and investigation. "In practice, there is no torture going on

in the investigation of crimes. If there is a possible source of popular suspicion as to torture in connection with police investigations, I will trace the source and clear it up," Chong said.

The government, he said, will try to improve the quality of police officers and prevent abuses of civil rights in the investigation

The minister said that the government remains unchanged in pursuing its campus autonomy policy. "However, the government will take harsh legal action against unlawful demonstrations and violations of the National Security Law," he said. Chong made it clear that the government will take legal action against those who instigate campus disturbances behind the scenes.

Opposition lawmakers asserted that investigation personnel resort to torture in interrogating suspects. They demanded that a select subpanel be formed to look into allegations that torture is going on in the course of interrogation. They contended that promoting liberal democracy is the only way to eradicate torture.

The number of students imprisoned for political reasons reached 430 in the last days of the Yusin (Revitalizing Reforms) system, but it has risen to more than 500 now, they said.

The opposition legislators also asked why the government is denouncing student movements as pro-communist. "Is there any evidence that student activists are denying property rights or calling for violent revolution?"

Ruling lawmakers, on the other hand, demanded that a comprehensive package be formulated to root out leftist ideology indoctrination on campuses. The government should foil attempts by students to drum up the support of workers and farmers in triggering social unrest, they said. They urged the government to clear up popular misunderstanding as to allegations that violators of the National Security Law were tortured.

Representative Mun Chong-su of the New Korea Democratic Party took issue with the death toll resulting from the Kwangju incident of 1980. Mun said that according to the city statistics, the number of people who died of tuberculosis averaged 45 a year between 1976 and 1983, except for 1980. He asked why the number of tuberculosis victims in Kwangju rose to as many as 592 in 1980.

Economy-Science Committee--Deputy Prime Minister Sin Pyong-hyong said that the government is considering introducing the minimum wage system during the Sixth Social and Economic Development Plan period (1987-1991).

Sin also said that efforts are being made to revamp the nation's industrial structure in order to help eliminate low wages.

The government is prepared to study the wisdom of revising the Fair Trade Law, if necessary, to prevent the concentration of wealth in large businesses, he said.

The deputy prime minister said that the government is reviewing its taxation and monetary policies to minimize side effects of the conglomeration of businesses.

Sin, who also serves as minister of economic planning, said that the government plans to rewrite the Military Personnel Management Law to reduce spending on military pension programs.

The Economic Planning Board is consulting with the Ministry of National Defense as to the envisaged amendment to the law, he said.

Representative Kim Kwang-su of the Korea National Party concentrated his questioning on rising unemployment among those with high educational backgrounds. Kim called for the formulation of mid-term and long-term programs to reduce the unemployment rate. Increases in college enrollment quotas are aggravating the unemployment problem, the 61-year-old minor opposition KNP lawmaker insisted.

Representative Kang Sam-chae of the NKDP argued that the United States is singling Korea out as a target of protectionism and trade pressure. Attributing the trade friction to what he called the undemocratic character of the incumbent government, Kang asked if the government can still regard the United States as an ally.

The 33-year-old opposition lawmaker proposed that the International Economic Policy Council be placed under the direct control of the president to manage international economic cooperation effectively. At present, the policy council is controlled by the deputy prime minister who concurrently heads the Economic Planning Board.

[SK090123] Finance Committee--Representative Yi Chae-kun of the New Korea Democratic Party described the present Korea-U.S. trade friction as bordering on a trade war. Pointing to "the unreasonableness of the U.S. trade friction pressure on Korea," Yi asked if the government will, nevertheless, continue to increase the number of businesses in which foreigners can make investments.

The 48-year-old NKDP legislator asserted that the government is giving too many privileges to foreign banks operating in the nation. He demanded to know how the government plans to help commercial banks liquidate their irretrievable credits.

The opposition lawmaker also claimed that if the government opens up the insurance markets to foreign underwriters, it will not only hurt the domestic insurance companies but pose serious security problems.

Representative Kim Chong-ki of the Democratic Justice Party asked why the nation's foreign debt rose by \$2.5 billion in the first half of this year. Kim pointed out that the nation's balance of international payments showed a deficit of \$920 million in the same period. The 44-year-old ruling lawmaker called upon the government to work out financial policy programs to help improve the balance of international payments.

He further proposed that an ad hoc team be created in the government to deal exclusively with matters concerning the management of the foreign debt.

National Defense Committee-Minister of National Defense Yun Song-min said that the Korea-U.S. trade friction and the U.S. defense commitment to Korea are two separate things.

In reply to lawmakers' questions, Yun made it clear that the U.S. trade pressure is designed only to redress the U.S. trade deficit. Committee members asked what impact the trade pressure would have on Korea's security. The defense minister said that a total of 54.4 billion won has been collected as defense surtax since 1973. Of the amount, 51 billion won has been used in making military reinforcements, he said.

Health-Social Affairs Committee--Minister of Labor Affairs Cho Chull-kwon said that the government is exerting active efforts to obtain the nation's entry to the International Labor Organization (ILO).

As part of its efforts, he said the government succeeded in issuing a joint communique for the simultaneous entry of South and North Korea at a recent meeting of labor ministers of Asian-Pacific countries.

/9365

CSO: 4100/024

S. KOREA/POLITICS AND GOVERNMENT

REPORTAGE ON STUDENT PROTESTS, DEMONSTRATIONS

On-Street New Trend

SK070120 Seoul THE KOREA TIMES in English 7 Nov 85 p 8

[Text] Surprise, on-street protests and demonstrations by groups of activist students from different schools has become a new trend in Seoul and its suburban cities these days.

In the face of strong police action, blocking students taking to the street after on-campus rallies, student protesters are seeking a breakthrough in surprise actions on the streets by small numbers of radical and activist students.

On Tuesday, some 150 students from 19 Seoul universities were intercepted by police when they attempted to stage a protest at the Sinchon intersection around 7 p.m. Of the students, 46 were of Seoul National University, 35 of Yonsei University, 19 of Korea University, and 7 of Sogang University.

Police said the students came to the rallying point of Sinchon market in groups of about 10 persons each. At the time of apprehension they were carrying Molotov cocktails, stones, and placards showing antigovernment slogans.

All the students were led away to Sodaemun Police Station and Mapo Police Station for questioning. Most of them were released after admonition, but those carrying Molotov cocktails were arrested.

At 5:20 pm, on the same day, some 400 students of several Seoul universities staged street demonstrations in Chang-sin-dong. They fought a fierce battle for 20 minutes against riot police, chanting antigovernment slogans and hurling stones and firebomb bottles. The students were from Seoul National, Korea, Yonsei, and Sogang Universities. Police took away 50 of the protesters.

Meanwhile, some 13 merchants in a downtown arcade in Songnam City in Kyonggi-do held a meeting Tuesday to seek measures against student demonstrations.

Protesting U.S. Trade Pressure

SK080041 Seoul THE KOREA TIMES in English 8 Nov 85 p 8

[Text] Students of several universities held a rally yesterday at Korea University, attacking U.S. pressure to open up Korean markets. They burned an image of Uncle Sam's hat in a gesture of their violent opposition to the U.S. move not only to nudge ajar the door of Korean markets but also to raise its barrier of Korean products.

The rally was originally intended for the reorganization of a regional council of the National Federation Student Council.

They also chanted various antigovernment slogans setting fire to a pair of military boots along with Uncle Sam's hat. Students hurled some firebomb bottles against police at the gate.

A similar protest meeting was also held at 2 pm at Yonsei campus with about 800 students from nearby schools attending.

Meanwhile, some 50 students of Yonsei University and Ewha Woman's University staged a surprise street demonstration at 9:10 ["am" or "pm" not specified] at the intersection in Yongdungpo, hurling Molotov cocktails at a police bus.

800 Stage Rallies

SK070202 Seoul THE KOREA HERALD in English 7 Nov 85 p 8

[Text] About 800 students of 5 universities and colleges yesterday staged antigovernment rallies on their campuses or on streets, some of them in conjunction with young workers.

A small number of students from Konkuk University and about 20 young workers held a street demonstration at the Songnam Second Industrial Complex in Songnam City for about 10 minutes from 8:05 am.

In the downtown area, near the KAL building in Sosomun, about 50 collegians demonstrated. They hurled a Molotov cocktail at a nearby traffic control post before they were dispersed by police.

Other schools involved in the demonstrations were Ewha Woman's University, Tonga University in Pusan, and Yongin campuses of Myongji University and Hankuk University of Foreign Studies.

Rallies at Six Universities

SK300056 Seoul THE KOREA HERALD in English 30 Oct 85 p 8

[Text] Students at six major universities in Seoul yesterday staged violent antigovernment rallies on their campuses, hurling stones and Molotov cocktails toward riot policemen. They demanded that the government scrap plans to open the door wide for foreign goods.

About 500 Seoul National University students broke 5 large glass windows of the school administration building in a rally that started around 3 p.m. The ralliers dispersed after clashing with police near the school gate around 4:50 pm.

Some 500 Yonsei University students hurled stones and fire bottles in a clash with riot policemen.

Similar rallies were also reported at Ewha, Sukmyong and Chungang Universities.

/9365

CSO: 4100/024

S. KOREA/POLITICS AND GOVERNMENT

REPORTAGE ON STUDENT ACTIVITIES, ARRESTS, PUNISHMENTS

Dissident Forbidden Family Visits

SK080044 Seoul THE KOREA TIMES in English 8 Nov 85 p 8

[Text] Kim Kun-tae, former chairman of the dissident "Youth Alliance for the Democratization Movement," arrested and indicted for his alleged connection with his family members in a court decision at the request of the prosecution.

The prosecution claimed that Kim, who has remained silent during the prosecution questioning, is likely to ask his family members, who come to meet with him in prison, to remove evidence.

Kim is blamed by the prosecution for being the wirepuller of a radical student body called Minchwi, or the Student Committee for the Promotion of Democracy, indoctrinating its members with communist ideology.

Leniency for Intruders

SK080119 Seoul THE KOREA HERALD in English 8 Nov 85 p 1

[Text] Chon Kyong-hwan, chancellor of the Saemaul (New Community Movement Headquarters), visited Prosecutor General So Tong-kwon yesterday to express his wish that the five students arrested for staging a brief sit-in at the headquarters Monday be granted leniency.

Chon expressed the hope that the students, all of Korea University are accorded leniency so that they can return to school.

The prosecutor general replied that he will try to reflect Chon's wish in handling the case.

102 Students Expelled

SK070205 Seoul THE KOREA HERALD in English 7 Nov 85 p 8

[Text] A total of 102 students of 25 colleges and universities have been expelled from their schools this year through October for their involvement in violent rallies and demonstrations, the Ministry of Education said yesterday. In addition, 190 other students have been either suspended from school or similarly disciplined.

A report the ministry filed with the National Assembly showed that rallies and other types of campus disturbances took place 419 times at 73 schools during the January-October period. Of them, 150 cases were related to campus issues and the rest concerned noncampus issues.

The ministry report also showed that students hurled stones at riot police and attempted to march out of campuses 119 times at 41 schools while offices of the university presidents were seized by students at 4 schools.

In addition, 29 rallies with students carrying torches were reported at 18 schools and overnight sit-ins were held on 33 occasions at 20 schools.

Protesters threatened to burn themselves four times at as many schools, according to the report.

The report further said that two college students died in connection with campus disturbances. They were Song Kwangyong, a sophomore of Kyongwon College in Songnam City and U Chong-won, a senior of Seoul National University. Song burned himself to death at the campus playground on September 17 while U killed himself by jumping in front of a moving train between Yongdong and Hwanggan in Chungchongbuk-do around 8 pm on October 11.

Student disturbances during the IBRD/IMF general meetings in Seoul early last month totaled 19, it said.

The ministry said that radical students are likely to seize public facilities, conduct out-campus demonstrations and pursue various subversive activities.

Some leftist students are likely to ideologically influence other students. "This may be utilized by North Korea in its anti-South Korea strategy," the ministry said. It added that student activities reorganized their organizations recently apparently because many of their leaders have been detained.

Chonhaknyon, or the National Federation of Student Association, has been reorganized, it said. Also reorganized were Sammintu branches at Seoul National, Korea, and Songgyungwan Universities.

In addition, various other student activists' groups were either reorganized or newly established, the report said.

Concern Over Student Activism

SK300114 Seoul THE KOREA HERALD in English 30 Oct 85 p 4

[Editorial: "Arrest of 'Minchwi' Cadres"]

[Text] Many people have been inclined to regard activism of some students as a mere outlet of their idealistic pursuits despite their destabilizing effects on campus life and society at large. Thus, they have been tempted to tolerate the students' behavior with magnanimity.

So, they feel pity whenever student demonstrations turn radical, including extreme slogans that can under no circumstances be allowed so long as we are faithful to the principle of liberal democracy. Especially astonishing have been their calls that are quite similar to those of communist North Korea, whose ultimate goal, by all indications, remains the same as before--communi-
zation of the whole Korean peninsula.

Fortunately, the radical students have been increasingly isolated from the majority of their fellow students. This, however, has prompted the radicals to go to further extremes to draw the attention of others. This tendency leads one to suspect their motivation to be more than pure idealism.

True to such suspicions, most radical student action has proved to be the work of an organization which has adopted tactics similar to North Korea's so-called common front tactics. The prosecution yesterday said that it has arrested 26 affiliates of "the Committee for the Promotion of Democracy," an illegal ideology-oriented organization at Seoul National University.

According to the prosecution, the arrested have stirred up campus disturbances, distributed seditious booklets and leaflets and instigated labor disputes. The committee, the prosecution said, has been behind many major violent incidents such as the seizure of the USIS library in Seoul last May.

The committee, according to the prosecutors' account, calls for "national democratic revolution," a popular violent revolution staged by farmers and poor urbanites with students in the lead. As the second stage, it has allegedly envisaged a socialistic revolution with an ultimate aim of toppling the capitalist system.

All this must be brought to our attention. Students must prevent themselves from unwittingly playing into the hands of such agitators, who disguise their real intent with idealistic pursuits.

The arrest of the committee affiliates should be made an occasion of looking squarely and anew at our stark reality. An illusionary perception of the realities must be avoided. All of us must enhance our awareness of due responsibility for keeping our society free from any subversive attempts because the folly of ignoring this requisite may undermine our paramount cause.

287 Students Disciplined

SK300053 Seoul THE KOREA HERALD in English 30 Oct 85 p 8

[Text] A total of 287 students from 24 universities and colleges have received academic punishment for involvement in various campus disturbances so far this year.

A Ministry of Education report submitted to the National Assembly yesterday showed that 97 collegians were expelled and 113 others were suspended from school, 54 of them for indefinite periods. The remaining 77 were admonitions.

The report also said that a total of 350 campus disturbances took place in 71 universities and colleges in the country during the second semester. Of them, 129 were caused by on-campus problems and the remaining 221 disturbances by off-campus issues.

During the period of the recent IBRD/IMF Seoul meeting, 2,800 students from 17 schools staged rallies on 19 occasions. The report showed that students threw stones on 93 occasions at 35 schools and Molotov cocktails were used at 19 schools on 40 occasions.

Ralliers at four schools seized offices of school presidents or deans, and students at 10 schools damaged school facilities. At five schools, there were attempts at self-immolation according to the report.

However, the report said, printed materials urging students to create a sound academic atmosphere were found at 35 schools on 56 occasions. Posters, placards, and campaigns with similar urgings were also reported at 42 schools.

Meanwhile, new student councils have been established at 41 schools among the country's 100 4-year colleges, the ministry report said. Of them, 58 schools have elected council presidents, but have failed to reach an agreement on their council regulations with school authorities.

In many schools, students and school authorities have expressed opposing views on the "five principles" given by the Education Ministry concerning the establishment of student council and council regulations. The five guiding principles allegedly restrict students' on- and off-campus activities concerning social and political issues.

/9365

CSO: 4100/024

S. KOREA/POLITICS AND GOVERNMENT

REPORTAGE ON SEIZURE OF AMCHAM OFFICE

Education Minister Expresses Regrets

SK080122 Seoul THE KOREA HERALD in English 8 Nov 85 pp 1, 2

[Text] Minister of Education Son Chae-sok yesterday expressed deep regrets over the temporary occupation Monday of the Seoul office of the American Chamber of Commerce by a group of student activists.

In testimony before the National Assembly Education-Information Committee, Son said that it is important to show proper understanding and reasonable actions in addressing issues between nations. The minister said, "It is highly deplorable that some students responded (to the Korea-U.S. trade friction) emotionally. The trade issues should be solved in such a way as to serve the interests of the two nations."

Students should be provided with a detailed description of trade between Korea and the United States, he said. This is the first time for the minister to comment officially on Monday's seizure.

Son also said that an estimated 20 students, thought to be from Korea University in Seoul, staged demonstrations before the Saemaul Undong Headquarters at 8:50 am Monday. The demonstrating students threw Molotov cocktails at the headquarters and scattered written materials containing their strong objection to the import liberalization policy, he said.

The minister stated that the government will deal sternly with those who destroy legal order.

Noting that a small number of students, who are imbued with radical leftist ideology, are staging demonstrations on campuses, Son said that the government will try to prevent the spread of ideological contamination on campuses. To this end, the government will ensure that the educational function of colleges will be strengthened and that faculty meetings will be fully activated.

He said that the government will determine whether or not to seek enactment of the campus stabilization law depending on the campus situation.

Meanwhile, Representative Chong Nam of the DJP demanded that the government revive written entrance exams administered by individual colleges.

Saying that the people feel uneasy about the current campus situation, Chong asked whether the Ministry of Education is preparing measures to root out campus disturbances.

He also asked the ministry to reveal its policy concerning about 6,100 graduates of educational colleges who have not been appointed as teachers.

Representative Sin To-hwan of the main opposition NKDP called on the ministry to work out measures to enhance and guarantee the authority of professors.

Governmental Channels Preferred

SK060124 Seoul THE KOREA TIMES in English 6 Nov 85 p 4

[Editorial: "Student Issues vs Trade"]

[Text] Sensible citizens are once again surprised at the reports that student activists have gone so far as to seize the American Chamber of Commerce office in Seoul Monday, in protest against U.S. trade pressures on Korea, along with their anti-government slogans.

It was rather fortunate that their intrusion into the office house in a downtown hotel lasted for only about 2 hours, as they were taken away by police in the early afternoon, who successfully stormed into the site of the accident swiftly, leaving no casualties.

The surprise intrusion this time was the second seizure by radical collegians of an establishment used by Americans here, over which society as a whole is obliged to express its keen concern.

In the latter part of last May, a group of more than 70 student activists broke into the U.S. Cultural Center library in Seoul, forcibly occupying it for as many as 72 hours. Unlike the AMCHAM office, local police could not enter the library at the time because it was part of the U.S. Embassy facilities for which extraterritorial rights are granted, thus prolonging the students' sit-in there.

It is true that the Korea-U.S. trade frictions at present have become a major issue that should be tackled by our business quarters and government authorities concerned in a fair and reasonable manner.

Under such circumstances, the two countries interlocked in traditionally close bonds not only in the economic sphere but in various other sectors are urged to push negotiations through both governmental and private channels with utmost sincerity and good reason.

No matter how gravely the nation, encompassing the people as well as government and industrial circles, may have been concerned about the U.S. trade pressure,

this specific binational issue can hardly be managed by any violent means crudely based on nationalistic sentiment.

In this particular respect, student activists are once again reminded that they committed a serious blunder by intruding into the foreign establishment in a violent action.

Whatever plausible slogans they may have, violence committed by them can hardly be justified. For this reason, the students--and for that matter, all those affected by the issue--are called upon to regain their composure and leave any such sensitive problems to due channels of negotiations.

Editorial Deplores Seizure

SK060107 Seoul THE KOREA HERALD in English 6 Nov 85 p 4

[Editorial: "AMCHAM Office Intrusion"]

[Text] Really shocking was Monday's seizure by radical students of the American Chamber of Commerce (AMCHAM) office in downtown Seoul. We deplore the folly of the students going to such extremes. Whatever reasons they may produce, such emotional acts are unfortunate for all of us and are feared to do the nation more harm than good.

Even so, it was good to see the seizure episode end within 2 hours owing to the police's agility, unlike the seizure by students of the USIS library in Seoul last May, which lasted for 3 days. The 14 students who occupied the AMCHAM office on the third floor of the Choson Hotel chanted such slogans as "the United States stop pressing Korea for market opening."

Undeniably, America's mounting pressure to make Korean markets open wider to its commodities is, indeed, serious for Korea, which is still in its infancy despite the phenomenal economic growth rate it has achieved in 2 decades. So, the government and businessmen alike, joined by the National Assembly, are doing their best to effectively cope with such challenges. Now is the time for us to orchestrate such efforts in a practical and reasonable manner.

The last thing we want to see, at this juncture, are eventualities that would adversely affect other relations between Korea and the United States that are typically firm, especially in security terms, for the good of both sides.

Therefore, any act that would spoil these relationships could hardly justify its motive, however plausible it might be. For the radical students, behavior like storming into the AMCHAM office is, of course, not the proper way to express one's views on the American pressure. It is an act, even if made with sincere intent, that is apt to ruin our efforts to solve the trade friction with the United States. That would please only those inclined to undermine our country's security by fanning anti-American sentiment in this republic.

Communist North Korea has, by all signs, attempted to destabilize our society to foil our playing host to many important international events. Unless one approves of Pyongyang's plots of that sort, he should prevent himself from, unwittingly, playing into their hands. All of us must ponder what is the best way to serve our national interests. An emotional approach is, surely, not among the best options.

U.S. Businesses on Alert

SK060122 Seoul THE KOREA TIMES in English 6 Nov 85 p 8

[Text] All U.S. business concerns in Korea are alert against possible student infiltration into their offices following the brief student seizure Monday of the American Chamber of Commerce in the Westin Chon Hotel.

Police are being stationed in and around the Kyoho Building downtown Seoul where most of the U.S. bank branches are located. Some U.S. bank branches have already drawn up an emergency plan against student infiltrations under close cooperation with managers of office buildings, they said.

Some U.S. bank branches had told their employees to go home early yesterday when they heard of the seizure of the AMCHAM office.

A U.S. bank branch manager sighed, "These days, we are more concerned with the students movement than business negotiations with our clients." He said that there are some misconceptions among the collegians on role of U.S. business establishments in Korea.

YONHAP on Police Announcement

SK050804 Seoul YONHAP in English 0730 GMT 5 Nov 85

[Text] Seoul, Nov 5 (YONHAP)--The seizure of the American Chamber of Commerce (AMCHAM) office here Monday was staged by the so-called "Committee for Struggle for National Independence," Seoul police announced Tuesday. Police said that the demonstration was part of an over anti-government movement involving student groups in Korea.

After a preliminary investigation, police said in an interim report that all of the 14 students involved in the seizure and subsequent sit-in played equally important roles in the demonstration. There was no single wirepuller in the incident, police said.

Among those participating in the sit-in was Ku Pon-ung, a senior at Seoul National University (SNU) and chairman of SNU's "Committee for the Protection of Democracy."

The Committee for Struggle for National Independence" is a student group organized under the influence of "SAMMINTU," or the "Committee for National Unification, Liberation of Masses and Struggle for Democracy." "SAMMINTU"

was reportedly responsible for planning and carrying out the takeover of the USIS library here last May, according to police.

A group of 14 students from 7 universities in Seoul seized the AMCHAM office from the roof of the Westin-Choson Hotel in downtown Seoul Monday morning to protest U.S. trade pressure on Korea to open its markets to U.S. products. Two hours after the seizure, the students were taken away by police.

During the demonstration, the students threatened to set fire to the office by pouring kerosene on the carpet if police tried to intervene. They demanded the withdrawal of American capital and an end to U.S. support for the current regime.

The students, who are all members of the "Committee for Struggle for National Independence," staged the sit-in protest in an effort to accelerate anti-government struggle by taking advantage of the current trade friction between Seoul and Washington. Some of the students had already been wanted by police in connection with student activities, police said.

Between October 25 and November 3, the students considered several U.S. offices in Seoul as possible sites for staging their sit-in, but finally selected the AMCHAM office, according to the police announcement.

Police said that they confiscated 2.5 liters of kerosene, 1,280 cubic centimeters of solvent, 10 packs of cigarettes, and salt from the students at the AMCHAM office.

After consulting with authorities concerned, including the prosecutor's office, the police will fill in the details of the incident on Wednesday morning, police sources said.

U.S. State Department Confirms Seizure

SK050104 Seoul YONHAP in English 0050 GMT 5 Nov 85

[Text] Washington, Nov 4 (YONHAP)--The U.S. State Department Monday confirmed that 13 Korean university students forcibly entered Seoul office of American Chamber of Commerce on November 4, and said it was pleased that there were no injuries.

A spokesman for the department's East Asia and Pacific Affairs Bureau said the U.S. Embassy played no role while the incident was in progress. "The embassy dispatched an officer to the scene at a large hotel for the purpose of ascertaining the facts," the spokesman, Ken Baillies, said. He said the embassy also expressed to the Foreign Ministry our hope that the incident would be handled with maximum regard for the safety of all involved. "We understand that no one involved in the incident was hurt," he added.

The spokesman also said the students barricaded themselves in and did not allow three Korean employees there to leave. They doused the office with kerosene and threatened to set fire to the office unless the American ambassador and American Chamber of Commerce leaders met with them. Two hours later, the Korean police entered the office suddenly and arrested the students and freed the Korean employees.

/9365

CSO: 4100/024

S. KOREA/POLITICS AND GOVERNMENT

CHON WARNS AGAINST USE OF CULTURE FOR POLITICS

SK310055 Seoul THE KOREA HERALD in English 31 Oct 85 p 1

[Text] President Chon Tu-hwan stressed yesterday that culture and arts should not be used as a tool for a certain political system and ideology. Chon also said that culture and arts will not be worthy of their names if they foment distrust and confrontation among people, and uphold violence and destruction.

The president was speaking at a Chongwadae luncheon for 152 leaders in culture and art.

Issuing a warning against a reckless introduction of foreign cultures, Chon urged the people to demonstrate wisdom in coping with various challenges resulting from rapid industrialization including disrupted values.

"Culture is a privilege of human beings and its characteristics make men behave like human beings," he said. "Accordingly, cultural activities in the country should be based on the humanitarianism that respects the human dignity as the highest good," he added.

"The nation faces many difficulties at home and abroad, including the confrontation between the South and North and discord among the classes," he said.

"Furthermore, some people are attempting to totally deny traditional Korean culture, whereby they challenge the Korean values and morality. While coping wisely with those challenges, we should seek our new values and morals from traditional Korean culture and its heritage," he emphasized.

The president then called for more energetic and creative activities in developing the nation to meet the expectation of the people.

/9365
CSO: 4100/024

S. KOREA/POLITICS AND GOVERNMENT

JAPANESE WEEKLY NOTES CHON'S EFFORTS FOR POWER TRANSFER

SK060059 Seoul THE KOREA HERALD in English 6 Nov 85 p 1

[Text] A Japanese weekly said Tuesday, President Chon Tu-hwan seems to be working on a large-scale plan to declare the democratization of Korea to the world by achieving a peaceful power transfer in 1988.

In a feature titled: "The 21st Century Is the Era for the Korean People," the SEKAI said President Chon is concentrating all his efforts on achieving economic prosperity to make Korea a highly advanced nation. The article was contributed by Professor Dadae Tukubo of a Japanese college.

Professor Takubo [spellings as received] said that Chon has activated Korea's diplomacy with the United States, Japan, ASEAN, and the Third World in general. The president, he said, has also paid delicate attention to relations with China and the Soviet Union.

Kim Il-song, on the other hand, has pursued a lackluster diplomacy devoted only to coping with China and the Soviet Union, he said.

The professor described the Rangoon bombing in 1983 as a fatal diplomatic mistake on the part of North Korea.

He said President Chon has recorded remarkable diplomatic successes by inducing such large-scale international events to Seoul as the 40th joint annual meeting of IMF/IBRD, the 1986 Asian Games, and the 1988 Seoul Olympics. The professor said those foreigners who attended the recent meeting of IMF/IBRD in Seoul evaluated Korea as having strengthened its national power remarkably in a very short period of time.

Enumerating President Chon's diplomatic achievements he cited a Korea-U.S. agreement to hold summit meetings on a regular basis and the promotion of national security through Korea-U.S. defense ministers' meetings and joint Korea-U.S. military exercises.

Korea has enhanced its international prestige by sponsoring large international events in Seoul, he noted.

Economically, Korea will realize its long dream of becoming an advanced country in the 21st century by increasing its percapita income to the level of \$5,000, it said.

S. KOREA/POLITICS AND GOVERNMENT

EMIGRATION LAW TO BE REINFORCED

Seoul THE KOREA TIMES in English 16 Oct 85 p 8

[Text]

The government is working on a revision to the Overseas Emigration Law to effect the strengthening of surveillance on private agencies arranging emigration, Foreign Ministry officials said yesterday.

They said that the revision was being sought in the wake of a scandal involving 16 Koreans who had tried to emigrate illegally to the United States via Mexico.

The scandal was reported here Friday. Five of the 16 have been deported to Seoul while the rest were reportedly in hiding in Los Angeles after they fled from the L.A. Airport on Sept. 29 during a transit for the home-bound trip.

If the law is revised, the officials said, emigration and passport agencies will be held responsible when people travelling with passports obtained through them are found to be illegal emigrants.

Most of the 16 people who were involved in the case had departed the country with passports obtained by such agencies, the officials noted.

They said that the law, when revised, will have the agencies guarantee the identification of people seeking passports through their office.

If an agency or a person files for passports with a completed form of application, the ministry cannot but issue the passports, they said. According to them, most of the 16 persons left Seoul on Aug. 28, carrying legal passports.

The officials said that the law revision was eyed to minimize the occurrence of illegal emigration without making it difficult for well-intentioned people to

travel overseas.

The government of Mexico on Aug. 19 made it compulsory for Korean travellers to obtain entry permission in spite of a bilateral no-visa agreement signed in March, 1979.

Mexico officials told Korean authorities at that time that an increasing number of Koreans were entering the United States via their country, provoking complaints from America.

The Foreign Ministry, on the other hand, is reviewing the no-visa agreement upon the request of Mexican government to make the pact more specific and thus more effective in preventing its abuse and misuse, officials said.

They said that the Korean consulate in Los Angeles and the Korean embassy in Mexico City were conducting an investigation into the recent case of illegal emigration with the cooperation of the pertinent authorities there.

The investigation is focused on finding an organized ring that may be in operation in either of the two cities, they said. A Korean who is running a sports shop in Los Angeles is suspected of operating such a ring, they said.

All but one persons involved in the incident in L.A. obtained passports this year, mostly in July and August. Seven of them named Japan as the destination for employment-seeking travel and five others the United States for visits on invitation.

Half of the 16 people were in their 40s and four of them were in their 30s. The youngest was a 5-year old boy and the oldest was a 48 year old man.

/12851
CSO: 4100/025

S. KOREA/POLITICS AND GOVERNMENT

BRIEFS

DEBT ISSUE CRITICIZED--Finance Minister Kim Man-che became the target of a harsh attack by opposition lawmakers on an assembly panel for his remarks on the nation's foreign liabilities. The opposition rage flared up in full gear as Minister Kim took an optimistic view of the foreign debt issue at the Finance Committee session Friday afternoon. Kim told the assemblymen, "We will be able to become a creditor nation in the 1990's only if we achieve a balance-in-international-payments posture next year." The minister was badgered with a flurry of scornful questions from the lawmakers of the main opposition New Korea Democratic Party (NDP). Taking the floor first, Representative Yi Chung-chae of the NDP asked Minister Kim to elaborate on the meaning of "creditor country." Yi Yong-hui, secretary general of the same party, questioned him, "Do you mean that we can live on a dream?" [From the "Press Pocket" column] [Text] [Seoul THE KOREA TIMES in English 10 Nov 85 p 4] /9365

NKDP DELEGATION TO VISIT JAPAN--Seoul, Nov 8 (YONHAP)--The main opposition New Korea Democratic Party (NKDP) plans to send a three-member delegation to Japan next week to discuss the possibility of setting up exchanges with the Japan Socialist Party (JSP), an NKDP spokesman said Friday. During a visit to Japan early last month, Kim Young-sam, co-chairman of the Council for the Promotion of Democracy, agreed with Masashi Ishibashi, JSP chairman, to arrange exchanges between the two parties. Although Kim is not a member of the NKDP, he has significant influence over the opposition party. [Text] [Seoul YONHAP in English 0814 GMT 8 Nov 85] /9365

NKDP LEADER THREATENED--Two unidentified persons made repeated phone calls between Tuesday evening and Wednesday afternoon threatening to blow up the house of Yi Chol-sung, a leading legislator of the opposition New Korea Democratic Party, police said yesterday. Yi's home is in Pangbae-dong in southern Seoul. Yi's secretary, Chong Pyong-chol, was quoted as having told police that a man seemingly in his 20's and a woman in her 40's made the threatening phone calls, without stating any demand. [Text] [Seoul THE KOREA HERALD in English 1 Nov 85 p 8] /9365

STUDENTS DEMAND COMBINED TRIAL--Defense attorneys for 11 Seoul National University students charged with producing the underground publication, KITPAL, demanded yesterday that the case be combined with that of 19 members of a suspected pro-communist organization, called "Committee for the Promotion of

3 December 1985

Democracy." The lawyers made the request during the second hearing of what is known as the Kitpal case at a courtroom in Seoul. Prosecutors announced earlier in the day that 7 out of the 11 students were additionally charged with violating provisions of the National Security Law. The new charges stem from their alleged participation in organizing the CPD. The seven students include An Pyong-yong, 23, and Yun Song-chu, 24. An denied the prosecution's allegation that he had studied "seditious" publications. An and Yun testified that they coauthored the inaugural and second edition of KITPAL and distributed the copies to Seoul National University students. The trial will resume next Tuesday. [Text] [Seoul THE KOREA HERALD in English 30 Oct 85 p 8] /9365

UNIVERSITY STUDENTS ON REUNIFICATION--Pyongyang October 18 (KCNA)--Students of Seoul University held that "the most important question at present is the reunification of the North and the South," according to the South Korean paper CHOSON ILBO. This was disclosed in a "poll" conducted by the University newspaper among 854 students. According to it more than 90 per cent of them answered that "reunification is more important than the question of existence" and above 70 per cent held that "reunification must be achieved in a peaceful way." The students expressed "deep discontent at economic inequality" and above 97 per cent openly answered that the South Korean economy was thoroughly dependent on foreign countries. More than 72 per cent of the students answered that there was "serious disparity in income distribution." [Text] [Pyongyang KCNA in English 1019 GMT 18 Oct 85 SK]

CSC: 4100/019

S. KOREA/MILITARY AFFAIRS

DEFENSE SECURITY COMMAND ON ARRESTS OF 16 SPIES

SK020051 Seoul THE KOREA HERALD in English 2 Nov 85 p 8

[Text] The Defense Security Command (DSC) announced yesterday it has cracked down on 5 espionage rings involving 16 agents. The command said they have established underground subversive networks to penetrate into the armed forces, campuses, industry, and other sectors at the directives of Pyongyang.

They also attempted to trigger violent social disturbances by forming an anti-state "United Front" and tried to collect military secrets for North Korea for a long period of time.

The command said seven of them were arrested on charges of violating the National Security Law, three were indicted without physical detention and the remaining six were freed with admonition because they were repentant.

Six code books, three shortwave radio receivers, forged documents, binoculars, and a substantial amount of money were confiscated from them as evidence, the command said.

One of the five rings was led by Na Chong-in, 48, head of Samhwa Engineering Co., a long-time agent for North Korea who received espionage training when visiting Pyongyang in 1961.

The second ring is headed by Kim Yun-su, 47, who owns a ceramic art firm which he established to help conceal his espionage activities. His ring attempted to penetrate the armed forces to obtain military secrets.

The command said the third ring led by Yi Pyong-kyu, 36, attempted acts of sabotage against mining villages.

The fourth ring led by Kim Chol-chun, 50, is related to Chochongnyon, while the fifth ring involves Chong Pin-kun, 42, a fisherman who returned to the South in 1968 from Pyongyang where he had been taken while fishing on the West Sea and received espionage training. Chochongnyon is a pro-Pyongyang Korean residents' group in Japan.

The command said North Korea seems to direct its agents in the South to be aggressive in creating social violence, spreading false rumors, and conducting

other antistate activities to help frustrate international events scheduled for Seoul, including the recent IBRD/IMF meetings, the 1986 Asian Games, and the 1988 Olympics.

Na Chong-in, described as a "big shot" by investigators and said to be the leader of a four-member spy ring, is suspected of gathering both military and industrial secrets and relaying them to North Korea over the past 25 years. Investigators said Na has been using his company, Samhwa, as his base of operation since he set up the firm in August 1971 with financial assistance from a North Korean agent operating in Japan.

He received spy training in Pyongyang on two occasions in March 1961 and September 1965 when he entered North Korea aboard a boat sent by the communist regime. Both trips were arranged by his 54-year-old sister, Na Kyong-hye, a resident of North Korea. He joined North Korea's Workers' (Communist) Party in September 1965. He recruited his younger brother, Na Chong-kap, as a North Korean agent in 1966 by providing him with ideological indoctrination and 19 books on communism. The younger Na was booked without physical detention, investigators said.

In the meantime, the elder Na has been in charge of supervising activities of another Seoul-based agent, Yi Kon. Yi was caught trying to recruit both former and active-duty military personnel under instructions from Na. He passed secret information on the maneuvers of some military units to another North Korean agent stationed in Japan through Na.

Kim Yun-su, who received spy training in Pyongyang in 1981, is suspected of passing military secrets to North Korean agents in Japan through his common-law wife, Yi Un-su. He entered North Korea May 14, 1981, via Austria and Moscow and stayed there for 1 month before returning to Seoul by way of Moscow and Japan June 13 the same year.

Yi Pyong-kyu is suspected of inciting labor strikes at the Oryu Coal Mine in Shihung and Changsong Coal Mine in Chollanam-do since November 1969. He pledged to become a North Korean agent during his 6-month captivity in North Korea between April 1969 and November the same year. A former fisherman, he was abducted by a North Korean vessel April 1969 while fishing on the high seas in the Yellow Sea.

Kim Chol-chun has passed military secrets to a leading Chochongnyong member in Japan since 1972. He became a North Korean agent after being indoctrinated by a Chochongnyon member identified as Ko Hui-sop, 55.

Chong Pin-kun is suspected of passing information on security arrangements in islets off the west coast, including the location of radar sites, to North Korea through radio contacts.

In announcing the crackdown of the spy rings, the command called upon the general public to be more alert against the intensified espionage activities of North Korea. The communist regime has become increasingly impatient with the growing national prestige of South Korea within the international community and will do everything possible to create social unrest, to agitate campus turmoil and bring about discord among working people, it said.

S. KOREA/MILITARY AFFAIRS

BRIEFS

ROK-U.S. CFC ANNIVERSARY CELEBRATION--Seoul, Nov 7 (YONHAP)--U.S. and Korean military personnel, Thursday, held a ceremony commemorating the seventh anniversary of the activation of the South Korean-U.S. Combined Forces Command (CFC) at the CFC's parade field here. Attending the ceremony were Korean defense minister, Yun Song-min; General William Livsey, commander in chief of CFC; Chong Chin-kwon, chairman of the Korean Joint Chiefs of Staff; and Richard Walker, U.S. ambassador to Korea. In a speech, General Livsey said the command has achieved a high level of readiness in its 7 years of existence by combining the best that the two countries have to offer in support of a vital goal--the defense of the Republic. "What we have created here is a potent force for peace and a powerful deterrent to aggression," General Livsey said. "It is the earnest hope of every member of the CFC that the powerful force we have created will never be used, but each of us also knows that if it must be used, it will work--and it will work well." [Text] [Seoul YONHAP in English 0755 GMT 7 Nov 85] /9365

CSO: 4100/024

S. KOREA/ECONOMY

KIET REPORT FORESEES HUGE TRADE SURPLUS IN 2000

SK160325 Seoul YONHAP in English 0258 GMT 16 Oct 85

[Text] Seoul, Oct 16 (Oana-Yonhap)--The Korea Institute for Economics and Technology (KIET) predicted Wednesday that South Korea will record a 125 billion-U.S.-dollar trade surplus and that it will achieve a per capita gross national product of 5,103 dollars (in 1984 constant prices) by the year 2000.

The forecast was based on the assumption that the global economy will grow at an average annual rate of 4-5 percent and that world trade will increase 7-8 percent annually.

In a report submitted to the trade and industry ministry, the KIET predicted that Korea's annual exportation of manufactured products will reach 233 billion dollars in 2000 and that imports will remain at 108 billion dollars.

The institute wrote the report, based on one and a half years of research, at the request of the ministry.

If the global economy grows by only 3 percent and if world trade volume increases by 6 percent, Korea's exports in 2000 would total 171.7 billion dollars and its imports would fall to 85.8 billion dollars, resulting in an 85.9 billion-dollar trade surplus, according to the report.

The KIET predicted that the electronics, machinery and automotive industries will grow most rapidly between 1986 and 2000, and that exports of those products will account for 56.4 percent of Korea's total exports in 2000.

The report also forecast that Korea's exports of electronics products will reach 68.2 billion dollars in 2000, representing 39.3 percent of its total exports, that machinery exports will total 43.4 billion dollars (18.6 percent), and that automobile exports will amount to 19.7 billion dollars (8.5 percent).

Exports of textiles, petrochemicals, steel and iron products, and ships will face difficulties from 1991 to 2000.

The textile industry will lead other sectors, in terms of exports, until 1990, but will fall to third place by 2000, following the emergence of electronics and machinery exports, according to the report.

The KIET report classified 120 manufacturing industries into three categories: "high-growth industries," "mid-growth industries" and "low-growth industries."

Among the 33 high-growth areas are the manufacturing of office appliances and electronics industries.

The 72 mid-growth sectors include the cosmetics, footwear, clothing and food processing industries.

Twenty-three areas, including manufacturers of ink, perfume, gloves, and audio recording tapes, fall into the low-growth category.

The report cited compact cars, mini trucks and parts, cameras, video tape recorders, portable computers, ultrasonic diagnostic equipment, vacuum cleaners and medicines as the most promising export items.

The KIET said that the major problems facing Korean industries are weak production structure, technological inferiority, underdevelopment of parts industries and weak competitive power on international markets.

To solve these problems, continued efforts should be made to readjust the industrial structure, to activate research and development projects, and to strengthen the international competitiveness of Korean industries the report recommended.

CSO: 4100-019

S. KOREA/ECONOMY

MEDIA RESPONDS TO KDI'S LOW ECONOMIC GROWTH PREDICTIONS

KOREA TIMES Editorial

SK070122 Seoul THE KOREA TIMES in English 7 Nov 85 p 4

[Editorial: "Dim Economic Prospects"]

[Text] The gloomy prospects for the nation's economy this year and next year, recently made by the Korea Development Institute (KDI), involve several indications.

The government-subsidized think tank forecast that this year's GNP growth would be less than 5 percent, as compared with the 7.5 percent originally projected and the 6 percent revised last August. It further presented a similar outlook that the GNP growth next year would be limited to 6.5 percent. These growth rates, though not necessarily unfavorable in absolute terms in contrast with those of our competing countries, are certainly low for our economy, which has enjoyed sustained high rates of growth.

According to the KDI outlook, consumer prices would increase by 4.1 percent next year, while the international balance of payments would improve to reduce its annual current-account deficit to \$300 million.

It is necessary to attain at least 7 percent in GNP growth to absorb a new labor force annually estimated at half a million. In consequence, employment problems are feared to become serious next year, owing to the anticipated low economic growth. Such a prospect indeed calls for positive and effective steps to increase employment opportunities.

What we are really concerned about is not a temporary economic slowdown but any structural problem with regard to the effective productivity of domestic industries at large.

The dim prospects are drawing particular attention because the KDI's mid-term outlooks used to be generally bright or optimistic.

The fostering of labor-intensive industries as the KDI suggested cannot be a fundamental solution to the employment problem, while the need for developing more sophisticated technology-intensive industries is growing.

One of the most desirable ways of solving this grave issue is to boost exports in spite of mounting trade protectionism. To this effect, greater and concerted efforts must be made to sharpen the international competitiveness of our products by stepping up technological renovation, with emphasis placed on the realignment of insolvent businesses in connection with industrial restructuring.

YONHAP Comments

SK050847 Seoul YONHAP in English 0807 GMT 5 Nov 85

[Text] Seoul, Nov 5 (OANA-YONHAP)--The Korea Development Institute (KDI) predicted Tuesday that the Korean economy will grow by 5 percent in real terms this year. The KDI's forecast falls short of the government's original target of 7 percent growth and is 1 percentage point under the projection that the government made in its 1985 revised economic operation program last August.

In a quarterly economic report, the state-run economic think tank warned against hasty optimism that the Korean economy will make a total recovery next year. The KDI estimated that the economy will grow by 6 percent next year, under the government's original projection of 7 percent. The KDI's quarterly forecast was based on the assumption that the economies of the advanced countries will grow by 2.8 percent this year and by 2.5 percent next year, and that global trade will increase by 4.5 percent this year and by 4 percent next year.

Although Korea's exports have shown signs of gradual recovery since the second half of 1985, the nation's commodity shipments overseas this year will reach 26.9 billion U.S. dollars on a BOP (balance of payment) basis, less than the government's original prediction of 34 billion dollars.

The KDI also predicted that exports will reach 29.8 billion dollars next year and that imports will increase from 27 billion dollars this year to 29.7 billion dollars in 1986.

Although Korea will record a 140 million-dollar trade deficit this year, it will register a trade surplus of 100 million dollars next year. As a result, Korea's current account deficit will decline from 680 million dollars this year to 300 million dollars next year, according to the KDI report.

The growth rate of the agro-fishery sector will increase from 2.1 percent this year to 3 percent in 1986, and that of the non-agro-fishery sector will rise from 5.5 percent this year to 7.1 percent in 1986.

For Korea to achieve a 7 percent growth rate over the next several years, as the government originally projected, would be difficult, the KDI said. The most persistent problem facing the national economy is the unstable employment situation. To keep down the unemployment rate, the KDI recommended that the government further develop the automobile manufacturing, shipbuilding, and machinery industries, that it develop a job security system, and that it encourage small- and medium-sized industries to hire college and university graduates.

The KDI also suggested in the report that the government continue to promote the depreciation of the Korean won against the U.S. dollar, to maintain steady export growth, and to improve Korea's balance of international payments; that it expand the functions of the finance sector, to facilitate adjustments for economic changes; that it improve the investment climate in Korea; and that it encourage price stability.

/9365

CSO: 4100/024

S. KOREA/ECONOMY

DEVELOPMENT INSTITUTE REPORT ON ECONOMIC PROSPECTS

SK060858 Seoul YONHAP in English 0843 GMT 6 Nov 85

[Text] Seoul, Nov 6 (OANA-YONHAP)--South Korea will become an advanced country if its per capita gross national product (GNP) reaches 3,000 U.S. dollars by 1988, and if the presidential elections and the summer olympic games are successfully held in 1988, as scheduled, the Korea Development Institute (KDI) reported Wednesday.

In a report on long-term economic prospects for the year 2000, the state-run economic think tank predicted that Korea's GNP will reach 247.5 billion dollars, at 1984 constant prices, and that its per capita GNP will total 5,016 dollars.

The KDI researched the report over a 1-year period, through consultations and panel discussions with researchers from 11 government-funded research institutes, scholars, business leaders, and government officials.

In the report, the KDI predicted that Korea's GNP, which was 81.1 billion dollars in 1984, will increase at an annual average rate of 7 percent over the next 15 years, reaching 112.2 billion dollars in 1990 and 247.5 billion dollars in 2000.

It also predicted that Korea's per capita GNP will grow from 1,999 dollars in 1984 to 2,542 dollars in 1990, and again to 5,016 dollars in 2000.

When the KDI began its research last January, it tentatively forecast that Korea's GNP would rise from 80.4 billion dollars in 1984 to 252.1 billion dollars in 2000, and that its per capita GNP would increase from 1,978 dollars to 5,103 dollars during the same period.

The actual 1984 GNP exceeded the KDI's original estimate by 700 million dollars. However, because of uncertain economic prospects for the later half of the 1980's, the KDI underestimated the GNP increase for the 1984-2000 period by 4.6 billion dollars and the per capita GNP rise by 87 dollars, according to the report.

The most important year for Korea will be 1988, the KDI asserted, because many radical changes will occur in the everyday lives and consciousness structures

of the people. The per capita GNP will increase from 2,000 dollars to 3,000 dollars around 1988.

In addition, several historic events, including the presidential elections and the Seoul Summer Olympic Games, will be held in 1988. If Korea passes through the period "successfully and wisely," it will join the ranks of the advanced nations, the KDI report said.

In the year 2000, 80 percent of Korean families will own their own houses, compared with 67.3 percent in 1983. People will "stand on their own two feet" and will save a sizable portion of their incomes, in order to plan for life after retirement and to educate their children, according to the report.

Significant changes will also take place in Korea's industrial structure. The agro-fishery sector, for example, will account for 7.5 percent of Korea's GNP in 2000, compared with 14 percent in 1984.

The contribution of the social overhead capital and other service sectors to the GNP will rise from 55.6 percent to 59.5 percent during the 1984-2000 period, and the contribution of the mining and manufacturing sectors to the GNP will increase from 30.4 percent to 33 percent, the report continued.

Korea's external trade volume will increase continuously and Korea will emerge as the world's 10th largest trading country in 2000.

The nation will register surpluses in its balance of international payments at the end of the 1970's, and will become a capital exporting country in 1994, and a creditor nation at the end of the 1990's, the KDI predicted.

The KDI plans to submit the report to the government by the end of next January, after making final consultations with economic experts from the 11 research institutes.

/9365

CSO: 4100/024

3 December 1985

S. KOREA/ECONOMY

NATION SEES ECONOMIC UPTURN IN SEPTEMBER

SK120537 Seoul YONHAP in English 0527 GMT 12 Nov 85

[Text] Seoul, Nov 12 (YONHAP)--After a 3-month slump, Korea's major economic indicators, including industrial production and commodity shipments, showed signs of a gradual upturn in September, the Economic Planning Board (EPB) reported Tuesday.

In a monthly report on economic trends, the EPB said that the coinciding composite business index, which diagnoses the current economic situation, rose 0.9 percentage points in September from August.

The five major components of the coinciding composite business index are industrial output, the shipment of goods, the operational ratio of industrial plants, the employment rate, and the performance of retail businesses.

Industrial output and commodity shipments in September increased by 6.9 percent and 7.2 percent, respectively, from the previous month, showing the highest growth rate since the beginning of this year.

Industrial plants operated at 78.3 percent of capacity in September, 0.3 percentage points higher than the previous month and 0.7 percentage points higher than the same month last year.

The unemployment rate dropped from 3.8 percent in August to 3.5 percent in September. The September unemployment rate rose 0.3 percentage points from the same month last year.

The leading business index, which forecasts the economic climate 2 to 3 months in advance, increased by 0.9 percentage points from August to September.

The cycling variable, which excludes seasonal factors from the coinciding business index, reached 103.9 in September, a rise of 0.6 percentage points from August. The variable had declined continuously in the previous 4 months.

In October, exports totaled 2.7 billion U.S. dollars, up 2.8 percent from a year earlier. Exports to Canada and Latin American countries continued to rise and those to the United States and Japan began to perk up. In the waning Middle East market, Korean exports declined from October 1984 to the same month this year.

Imports in October 1985 totaled 2.6 billion dollars, up 5.7 percent from a year earlier. Between January and October, however, imports decreased by 5.7 percent from the corresponding period last year.

Korea recorded a surplus of 600.4 billion won (674.6 million dollars; one dollar is worth about 890 won) on its general account in October and a surplus of 418 billion won (469.7 million dollars) in its overall financial account, due mainly to the successful collection of taxes.

The growth rate of the total money supply decreased from 15.7 percent in September to 13.3 percent in October. On a year-to-year basis, the total money supply increased by 14.4 percent.

Deposits at banking institutions increased by 145.6 billion won (163.6 million dollars) in October. The increase rate of savings and time deposits outpaced that of demand deposits, according to the EPB report.

/9365

CSO: 4100/024

S. KOREA/ECONOMY

LOWER INTEREST BEING PLANNED FOR DEFERRED PAYMENT EXPORTS

SK120004 Seoul THE KOREA HERALD in English 12 Nov 85 p 1

[Text] Minister of Finance Kim Man-che said yesterday that the government is considering lowering the interest rate for loans for exports on deferred payments. In testimony before the National Assembly Finance Committee, Kim said that the reduction of the interest rate is needed to help promote exports of ships and plants on deferred payments.

The minister said that the high interest rate makes it difficult for the nation's exporters to receive orders from abroad. He pointed out that the international interest rate is continuing to fall.

The minister also said that the government is thinking of turning over the management of the Citizens National and the Small and Medium Industry Banks to private hands. The two banks are specialized banks, which are under the direct control of the government.

In response to lawmakers' questions at the Assembly Finance Committee, Kim said that the government will steadily pursue its plan to privatize state-run corporations. The minister said that it is still premature to turn over management of the Monopoly Administration to private hands.

Meanwhile, Representative Kwon O-tae of the NKDP demanded that the government release a white paper on insolvent businesses and stop providing concessional loans to them. Kwon called upon Minister of Finance Kim Man-che to resign to take responsibility for the virtual bankruptcy of commercial banks.

The Cho Hung Bank, which has the largest sum of irretrievable credits, should be disbanded and its branches should be merged into other commercial banks, the opposition legislator asserted.

Representative Pak Il of the NKDP demanded that legislation be sought to prevent investment transactions between companies under the umbrella of major business conglomerates. Pak said that the measure is needed to prevent concentration of wealth in large businesses.

He also said that as of the end of 1984, the stocks of 5 commercial banks in Seoul and 10 provincial banks were owned by 18 large businesses.

The NKDP lawmakers also said that 48 percent of bankloans are taken by 30 large businesses. Saying that 30 major businesses hold idle land valued at 419.8 billion won, he insisted that the Inheritance Tax Law and the Gift Tax Law be revised to preclude the concentration of wealth in large businesses.

Representative Ko Chae-chong of the NKDP urged the government to turn over the management of the Monopoly Administration to private hands rather than to turn it into a corporation. In reply, Minister of Finance Kim said that the government will try to ensure that concessional bank loans are not abused by insolvent businesses.

/9365

CSO: 4100/024

S. KOREA/ECONOMY

INVESTMENT NEEDS EXPECTED TO BE MET BY SAVINGS BY 1986

SK300418 Seoul YONHAP in English 0259 GMT 30 Oct 85

[Text] Seoul, Oct 30 (YONHAP)--Korea's finance minister, Kim Man-che, predicted Tuesday that the nation's savings ratio will exceed 30 percent in 1986 and that its investment needs will be fully met through domestic savings.

In a nationally televised interview with the KBS (Korean Broadcasting System) on the 22d National Savings Day, Kim emphasized the urgent point that Koreans must build up their savings in order to stimulate the economy and to help reduce the nation's external debts.

The government's predominant policy of stabilizing commodity prices and curbing speculative investments in real estate has brought about a steady rise in Korea's savings deposits, Kim said.

In the first 9 months of this year, Korea's national savings totaled 57 trillion won (64 billion U.S. dollars; one dollar is worth about 890 won), representing a 15.5 percent increase from the end of last year and a 22.7 percent rise from the corresponding period of 1984. Last year, Koreans recorded an overall savings rate of 27.3 percent and an investment rate of 29.7 percent.

If international interest rates decline in the future, the government will take proper measures to gradually lower interest rates while maintaining stability, Kim said. The government will not allow the reduction in interest rates to discourage prospective savers as the disparity widens between bank interest rates and the profitability of investments in stocks and other financial institutions, Kim added.

Although the government will give banks more liberty in managing the banking industry, the liberalization will not increase the financial burden of businesses, he said.

The government also plans to give greater financial support to small- and medium-sized business, instead of concentrating bank loans on large corporations, as was often the case in the past, Kim said.

/9365
CS0: 4100/024

S. KOREA/ECONOMY

LABOR DISPUTES TOTAL 225 THIS YEAR

SK060105 Seoul THE KOREA HERALD in English 6 Nov 85 p 8

[Text] A total of 225 labor disputes took place across the country by the end of October this year, more than double the previous year's 100.

According to a report the Ministry of Labor submitted yesterday to the National Assembly, wage-related disputes topped the list of labor disputes with 129 cases, followed by working condition-related troubles (33 cases), and dismissal and repression of labor activities (31). Labor trouble concerned with business suspension and closure of factories numbered 10 and other disputes totaled 22, the report showed.

The Labor Ministry attributed the increase in disputes to disagreement on the wage hike between labor and management and growing lay-offs stemming from business slumps. The latest tendency is that labor disputes are carried out in collective and violent means, the ministry noted.

The report showed that 2,181 manufacturing companies increased wages to pay more than 100,000 won monthly for 93,091 employees who had been paid less than 100,000 won a month.

The ministry will conduct a nationwide wage survey on companies employing more than 10 workers between December this year and January next year in preparation for the introduction of a minimum wage system during the Sixth 5-Year Economic and Social Development Plan (1987-91).

Overdue wages totaled 42.9 billion won from 805 companies by the end of October. Of the overdue wages, 694 companies paid out 39.4 billion won, but 3,500 million won is still in arrears, the report showed.

The report said that 83,792 workers were sent to foreign countries by the end of August this year, accounting for 55.9 percent of this year's target of 150,000 workers.

The ministry will expand the ongoing "no industrial disaster" campaign to all companies employing more than 10 workers from next year. The campaign currently applies to companies with more than 30 employees.

According to the ministry report, the ministry will encourage industries to boost real income for their employees and to increase welfare facilities for the convenience of workers.

Under the program, two welfare centers with floor space of 400 pyong (1,230 square meters) will be set up at a total cost of 309 million won and two large-scale shopping centers will be built in industrial complexes at a cost of 278 million won.

The ministry will invest some 4 billion won in constructing some 4,000 small apartments with floor space of 12.5 pyong (some 42 square meters) in 10 areas near industrial complexes, which will be rented to employees.

The report said that the ministry will entrust some 1,000 handicapped persons to the Korean Society for Rehabilitation of the Disabled next year to train them to assume work lives.

The ministry plans to train some 57,600 skilled persons next year and reform curricula at vocational training centers in a bid to strengthen instruction.

/9365

CSO: 4100/024

S. KOREA/ECONOMY

LABOR AFFAIRS MINISTRY REPORT ON LABOR UNION DISPUTES

SK090605 Seoul YONHAP in English 0506 GMT 9 Nov 85

[Text] Seoul, Nov 9 (OANA-YONHAP)--Korean business owners abhor employees who try to form labor unions or who become members of unions, the Labor Affairs Ministry reported Saturday.

In the first 9 months of this year, the Federation of Korean Trade Unions dealt with 275 labor disputes, which stemmed primarily from business owners' unfair treatment of employees. Almost all of the disputes were caused by dismissals or punitive actions applied to workers for trying to form labor unions or for becoming union members, according to a ministry report.

Despite business owners' negative attitude toward labor unions, the number of unions in Korea increased from 2,141 in 1981 to 2,478 at the end of June 1985.

The number of trade union members also rose, from 966,738 to 1,011,020, during the cited 5-year period. Union members accounted for 30.4 percent of the 3,326,642 workers employed by businesses with labor forces larger than 10, the report said.

Despite the government's continuous efforts to eliminate low wages, 5.4 percent (178,677) of the total workers receive wages of less than 100,000 won (112 U.S. dollars; one dollar is worth 890 won) per month.

According to the report, workers who receive monthly salaries of more than 300,000 won account for the largest portion (36 percent) of the total work force, followed by those who receive 100,000 to 160,000 won (23 percent), those who receive 200,000 to 300,000 won (22.2 percent), and those who receive 160,000 to 200,000 won (13.4 percent).

/9365
CSO: 4100/024

3 December 1985

S. KOREA/ECONOMY

JOINT AGREEMENT WITH BRITISH FIRM ON OIL EXPLORATION EXPECTED

SK100115 Seoul THE KOREA TIMES in English 10 Nov 85 p 1

[Text] The state-run Korea Petroleum Corp. [PEDCO] and Hadson Petroleum International of Britain are expected to sign an agreement next month to explore oil deposits in the sea south of Cheju Island. Under the agreement, Hadson is expected to conduct an extensive seismic survey early next year and drill at least one well later, informed sources at the Government and Oil Industry said yesterday.

The sources disclosed that the planned oil hunt will be undertaken under a 50-50 joint venture between the Korean and British companies.

The government will approve the agreement on oil concession and operation soon after the formal signing, probably in mid-December to give the partners the right to jointly tap oil reserves in the nation's fifth mining block south of Cheju Island.

The government has been pushing an oil-search project in the nation's territorial waters, independent of Japanese cooperation.

Korea and Japan are engaged in an oil hunt in the nearby continent shelf between the two countries under a joint agreement signed in 1974. Oil concessionaires for the two neighboring countries are required to bore at least 11 wells in the shelf by 1987. Six wells were drilled in the joint development zone but none proved successful.

The government policy of oil exploration gives top priority to development of oil in the territorial waters. Under the policy, the government has been making efforts to invite foreign companies to oil exploration here in joint ventures with Korean partners.

To thrust ahead with the program, PEDCO plans to drill a total of 14 oil wells in the nation's independent mining blocks in a decade starting this year with seismic surveys covering 5,000-kilometer lines. PEDCO said it had already finished interpretation of seismic survey data on the fifth mining block.

For a joint tapping of oil deposits in the sixth mining block, PEDCO said, it has been negotiating with foreign oil hunters including Enserch of the United States and Hadson of the United Kingdom.

In 1981, PEDCO and its American partner entered into an oil-search agreement to jointly explore oil in the fourth mining block but abandoned the block after failing to detect commercially exploitable oil in 1983.

So far, seven wells have been drilled in vain in the second, fourth, fifth, and sixth blocks by foreign companies. And the other six wells were bored with no success in the seventh block under the bilateral agreement between Korea and Japan to tap oil reserves in the continental shelf.

/9365

CSO: 4100/024

S. KOREA/ECONOMY

BRIEFS

RECONSIDERATION OF U.S. FISHING QUOTAS--Pusan (YONHAP)--Korea yesterday urged the United States to reconsider its policy that has restricted annual fishing quotas for the country. At a meeting of Korea-U.S. fishery experts held at the National Fisheries Research and Development Agency here, the five-member Korean team made the assertion, saying that fishery resources in the north Pacific area are still abundant according to a recent examination. The Korean representatives presented various research papers on the results of fishing operation and fishery resources in the northern Pacific areas. [Text] [Seoul THE KOREA HERALD in English 12 Nov 85 p 1] /9365

RICE HARVEST--Seoul, Nov 7 (OANA-YONHAP)--South Korea's rice harvest this year estimated to reach 5,626,000 tons, is down 1 percent from 1984, but 2.8 percent above the government's 1985 production goal, the Agriculture and Fisheries Ministry announced Wednesday. Although the 1985 estimated total was originally estimated to be 5,653,000 tons, it was reduced by 27,000 tons, due to losses caused by heavy rains and typhoons early last month. The ministry estimated the production volume by surveying on 20,000 farmers in Korea. The rice harvest per 0.1 hectare fell from 463 kilograms in 1984 to 456 kilograms this year, the ministry reported. [Text] [Seoul YONHAP in English 0235 GMT 7 Nov 85 SK] Seoul, Oct 21 (YONHAP)--South Korea is expected to register its fifth consecutive bumper rice harvest this year, despite typhoons and unusually heavy rainfall this autumn. The Agriculture and Fisheries Ministry reported Monday that Korea's rice harvest will reach about 5.62 million tons this year. The expected total is 410,000 million tons higher than the average annual level, but short of the record 5.68 million tons harvested in 1984. The ministry attributed this year's bumper harvest to abundant sunshine in the summer and to farmers' efforts to protect their crops from the seven typhoons and heavy rains that hit the peninsula this fall. Rice is staple food in Korea, which has traditionally been an agricultural country. Korea produced 5.06 million tons of rice in 1981, 5.18 million tons in 1982 and 5.41 million tons in 1983. [Text] [Seoul YONHAP in English 0310 GMT 21 Oct 85 SK] /9365

ENERGY CONSERVATION--President Chon Tu-hwan yesterday reemphasized the need for saving more energy resources, saying that it is the very way to strengthen the nation's international competitiveness amid current global economic difficulties. "Energy saving will help the national economy grow healthy and private citizens increase their income," Chon said. The president directed the cabinet to take the lead in saving energy while encouraging businesses and the

general public to take part in the ongoing energy saving drive in a positive manner." He said proper and effective public relations activities should be maintained to that end. Presiding over an energy saving policy meeting at Chongwadae, Chon called on the nation's business concerns to make more investment into projects designed to save energy on a long-term perspective. "Both the government and businesses should be fully prepared to meet, with wisdom, another oil crisis," he said. Energy conservation in the construction of houses and office buildings is no less important than in the industrial sector, the president emphasized. Chon called for the strengthening of the energy-related administrative paper work. [Text] [Seoul THE KOREA HERALD in English 7 Nov 85 p 1] /9365

OIL IMPORT SOURCE DIVERSIFICATION--Seoul, Nov 7 (OANA-YONHAP)--Korea has been successfully diversifying its sources of imported oil by moving away from reliance on Mideast countries, sources at the Ministry of Energy and Resources said Thursday. Its dependence on Mideast oil declined from 67.6 percent in the first 9 months of 1984 to 57.3 percent in the corresponding period this year. Korea's crude oil imports in the January-September period of 1985 totaled 146.6 million barrels (worth 3.9 billion U.S. dollars), including 83.9 million barrels from the Middle East, the sources said. The nation's total oil imports during the cited period decreased by 3.7 percent from a year ago. Korea re-exported 25.5 million barrels of the crude oil after refining it. The sources attributed Korea's reduced reliance on Mideast oil largely to a rise in oil imports from Asian and Latin American countries, including Indonesia and Ecuador. [Text] [Seoul YONHAP in English 0023 GMT 7 Nov 85] /9365

FOURTH QUARTER ECONOMIC IMPROVEMENT--Seoul, Oct 31 (OANA-YONHAP)--The Korea Chamber of Commerce and Industry (KCCI) predicted Thursday that the nation's economy will improve in the fourth quarter of this year, compared with the corresponding period of 1984, due to the gradual recovery of automobile and petrochemical exports. Automobile exports will increase by 150 percent and petrochemical exports by 29 percent, according to a KCCI report. The raw silk, paper manufacturing, pharmaceutical, and electronics industries are also expected to record export increases. In researching the economic trends of Korea's 20 major industries, including construction, iron and steel, and automobiles, however, the KCCI found that domestic sales in those industries in the fourth quarter of this year will surpass domestic sales in the same quarter of 1984. Most of the 20 industries, however, are expected to record 10 percent increases in domestic sales from the third quarter of this year to the fourth quarter, due mainly to the seasonal demands of the industry, according to the report. [Text] [Seoul YONHAP in English 0658 GMT 31 Oct 85] /9365

\$45.4 BILLION OUTSTANDING LOANS--Seoul, Nov 6 (OANA-YONHAP)--South Korea's outstanding foreign loans exceeded 45.4 billion U.S. dollars at the end of September 1985, up 2.3 billion dollars from the end of 1984, according to a report that the Finance Ministry sent to the National Assembly on Wednesday. The cumulative figure is 300 million dollars more than the government's original 1985 target for curbing the rise in outstanding foreign loans. Korea's total short-term loans decreased by 1.1 billion dollars, to

10.3 billion dollars, during the January-September period of this year. As a result, short-term loans accounted for 22.8 percent of Korea's total foreign debts at the end of last September, compared with 26.5 percent at the end of 1984. In the first 9 months of this year, Korea repaid 2.4 billion dollars in foreign loan principal. Principal repayments are expected to reach 3.5 billion dollars by the end of this year. The government brought in a total of 4.4 billion dollars in long-term foreign loans in the first 9 months of 1985. It used 700 million dollars of the total to reduce the current account deficit, 2.4 billion dollars to make repayments on principal and 1.7 billion dollars to support credit exports. [Text] [Seoul YONHAP in English 0125 GMT 6 Nov 85] /9365

CS07 4100/024

S. KOREA/SOCIAL CONDITIONS

BRIEFS

RED CROSS ANNIVERSARY OBSERVED--Seoul, Oct 30 (OANA-YONHAP)--About 5,000 Red Cross officials Wednesday attended a ceremony here commemorating the 80th anniversary of the founding of the (South) Korean National Red Cross (KNRC). Also on hand for the ceremony at the Sejong Cultural Center were Sin Pyong-hyon, deputy prime minister and economic planning minister; Kim Sang-hyop, KNRC president; and Hans Loegh, secretary general of the League of Red Cross Societies. In a speech, Sin said that the recent exchange of separated family members between South and North Korea was a historic achievement. In September, Seoul and Pyongyang implemented the first exchange of civilian groups between the two Koreas since the peninsula was divided at the end of World War II. Sin urged the Red Cross employees to continue their efforts to bring about the reunion of the estimated 10 million dispersed family members at the earliest possible date. Seoul is scheduled to host the 10th Inter-Korean Red Cross Plenary Meeting in November. [Text] [Seoul YONHAP in English 0309 GMT 30 Oct 85] /9365

CSO: 4100/024

S. KOREA/SCIENCE AND TECHNOLOGY

BRIEFS

BROADCAST COMMUNICATION SATELLITE--Minister of Science and Technology Kim Song-chin said yesterday that the government plans to launch a broadcast communication satellite in the early 1990's. To this end, the government will establish a space science center at his ministry at the earliest possible date, Kim said. The minister was responding to a question by Representative Kang Sam-chae of the New Korea Democratic Party at the National Assembly Economy-Science Committee. Kang asked Kim when the government would formulate an overall space development plan. Kim also said that the government will start construction of a plant for disposal of radioactive wastes in 1986. He said that the plant will be built on land by 1988. He, however, did not mention the site for the plant. Minister Kim said that the government plans to inaugurate a life science research institute at the earliest possible date to make full-fledged studies of life science. He said that consultation is underway between pertinent ministries to appropriate 20 billion won from the special account of the Monopoly Administration to finance the inauguration of the institute. [Text] [Seoul THE KOREA HERALD in English 12 Nov 85 p 1] /9365

CSO: 4100/024

S. KOREA/KOREANS IN JAPAN

BRIEFS

DECEMBER DATE SET FOR TALKS--Tokyo, Oct 30 KYODO--Officials of the South Korean Justice and Foreign Ministries will visit Japan in December for talks on the legal status of third generation Korean residents of Japan, government officials said Wednesday. The topic was raised during the bilateral ministerial meeting in Seoul in August. The existing agreement has provisions on the legal status of first and second generation Koreans living in Japan but there is no clause concerning their children or grandchildren. Most Korean residents of Japan have obtained permanent residence under the agreement. About 680,000 Koreans are living in Japan as a result of the Japanese colonial rule of Korea from 1910 to 1945. [Text] Tokyo KYODO in English 0006 GMT 30 Oct 85] /9365

CSO: 4100/024

S. KOREA/FOREIGN RELATIONS

U.S. EMBASSY DENIES REPORT ON BUSINESS VISA RESTRICTION

SK010050 Seoul THE KOREA TIMES in English 1 Nov 85 p 8

[Text] The U.S. Embassy in Seoul yesterday denied allegations that it was restricting issuance of visas for Koreans with business passports. Asked to comment on a vernacular newspaper report that the embassy was strengthening screening for visa applications to the effect of curtailing visas for Koreans, embassy spokesman David F. Fitzgerald said flatly: "The allegations are totally false."

"As a matter of fact, the American Embassy in October has issued more visas to Korean businessmen than it did in the same month of last year," he said. He affirmed that the embassy has not changed its policy concerning visas.

The report quoted visa applicants and travel agents as suggesting that the alleged difficulties in getting visas for business trips were apparently related to the current trade friction between the two countries.

Andrew F. Antippas, counselor of the embassy for consular affairs and consul general, said that his embassy issued visas to 1,338 Koreans traveling to the United States for business purposes or for pleasure during October. The figure represents an increase of 200 percent from that of the same month a year ago, he said.

According to him, people who are going to the United States to work at their company offices there have to wait for about 1 week to get their visas, because processing such visas is more complex than processing others.

/9365

CSO: 4100/024

S. KOREA/FOREIGN RELATIONS

DAILY WELCOMES WEINBERGER'S REMARKS ON MILITARY AID

SK180030 Seoul THE KOREA HERALD in English 18 Oct 85 p 4

[Editorial: "Weinberger's Remarks"]

[Text] The military buildup of the Soviet Union in the Far East has been notable in recent years. Particularly, the Soviets have laid emphasis on the deployment of sophisticated bombers, missiles and naval crafts in eastern Siberia--in and around Vladivostok and the maritime provinces.

Recently Japanese government sources disclosed the detection of a strategic bomber base being enlarged in Siberia where advanced supersonic TU26 Backfire bombers have been deployed. Analysis of a satellite photograph located the base of Zavitinsk, northwest of Khabarovsk near the Sino-Soviet border.

Though the expansion of the Russian arsenals in that part of the world is no news to us, it still is alarming and threatening that Moscow is drastically strengthening its arms and forces deployment on the eastern front, taking advantage of a military edge on its European and southwestern flanks.

Exposed to the perpetual menace of a renewed armed attack from Communist North Korea supported by its northern allies, the Republic of Korea cannot but be particularly concerned about the Soviet military buildup and its pressure on the Western Pacific reaching down south to Vietnam.

In this connection, an encouraging report from Washington this week quoted U.S. Defense Secretary Caspar Weinberger as committing sophisticated weapons systems to help South Korea against mounting threats from North Korea.

Noting that North Korea poses an enormous threat to the south by deploying in recent years its forces closer to the Demilitarized Zone and introducing brand-new weapons from the Soviet Union, Weinberger reaffirmed the American commitment to the defense of free South Korea and to continued aid for Seoul to acquire supermodern and technologically superior weaponry.

It is especially noteworthy that he said Washington does not want to do anything that would injure the economy of South Korea in view of its heavy defense burden. As he aptly pointed out, we are investing a great deal of our limited resources in preserving security and peace.

Under the circumstances, the United States should help succor and strengthen the economic power of South Korea that is the basis of its military preparedness. A second thought is in order as regards the latest drift of U.S. trade policy toward protectionism to the detriment of our export industry.

A strong alliance of the Republic of Korea and the United States is a mainstay of stability and safety in Northeast Asia in the face of growing Soviet military pressure. Their close and effective bilateral partnership must be maintained and bolstered for the sake of their shared interests.

CSO: 4100/019

S. KOREA/FOREIGN RELATIONS

ENVOY TO UN STRESSES UTILIZATION OF UN FORUM FOR CONTACTS

SK070056 Seoul THE KOREA HERALD in English 7 Nov 85 p 4

[Text] Choe Kwang-su, ambassador-designate to the United Nations said yesterday Korea should utilize the UN forum as a channel for contacts with countries with which it has no formal diplomatic ties. He said, "The United Nations should be a major diplomatic arena for Korea to contact unfriendly Third World countries and neutral nations."

In addition, Choe said, Seoul will be able to strengthen its friendly relations with traditional allies through its activities in the world body.

In a news conference, the 51-year-old career diplomat said his activities at the world body will focus on garnering wider international support for the nation's efforts to gain its membership.

"As Prime Minister No Sin-yong pointed out in his address at the UN General Assembly last month, it is unreasonable that a country like Korea has been denied membership to the United Nations," he said.

The new ambassador to the United Nations noted that Korea has a population of 40 million and ranks 14th or 15th in the world in terms of its economic size. He also said the nation has diplomatic relations with 118 countries of the UN's 159 members.

"Fortunately, however, understanding has been formed among many of the members that Korea should be admitted under the principle of universality of its membership," he added.

Referring to differing views between South and North Korea on gaining UN membership, Choe said Pyongyang should take a more reasonable position based on reality.

He dismissed as groundless Pyongyang's allegation that simultaneous entry of South and North Korea into the United Nations would perpetuate the national division.

He also predicted that China and the Soviet Union would not be able to exercise its veto rights when a "strong belt of common understanding" is formed in international society concerning Korea's admission to the United Nations.

The former ambassador to Saudi Arabia said next priority will be given to helping member countries realize the importance of stability in the Korean peninsula in maintaining world peace.

Noting that interests of major powers intersect on the Korean peninsula, Choe said that "an outbreak of conflict in the region would harm the world peace."

As a way to prevent the recurrence of war on the peninsula, the United Nations should pay continuous attention to the development of situations in the region, he said.

The diplomat with nearly 30 years' experience admitted that there are limits in the roles the United Nations can play in maintaining world peace. Still, most member countries agree that the international body should play a decisive role in resolving regional conflicts, he said.

/9365

CSO: 4100/024

S. KOREA/FOREIGN RELATIONS

KOREA HERALD URGES NKDP TO RETHINK JSP CONTACTS

SK120033 Seoul THE KOREA HERALD in English 12 Nov 85 p 4

[Editorial: "Approach to JSP"]

[Text] The bipartisan diplomacy of the United States used to represent the consensus of thoughtful opinion of diverse political parties, government agencies, and interest groups in that country. The tradition of bipartisanship is no longer as strong as before. However, many still believe that any internal strife should not transcend the shores of American territory.

Our foreign policy also boasts a long record of bipartisan or supra-partisan accord as far as the sovereignty and security of the country are concerned. Assertion and preservation of our national integrity and interest through resistance of communism and through close alliance with the West remain the backbone of our international relations.

Changing times brought about some shift of emphasis in our diplomacy to keep pace with the changing international environment, our increasing openness and widening ideological latitude in dealing with foreign governments and organizations.

However, these technical modifications and partial reorientation aimed at greater pragmatic gains for the moment do hardly affect the basic principle of Seoul's foreign relations, which must ensure and maximize the legitimacy, prestige, integrity, and strength of this Republic as an independent and sovereign nation.

In this connection, the recent approach of the New Korea Democratic Party to the Japan Socialist Party in defiance of the counsel of prudence from the administration leaves much to be desired. The two opposition parties are about to step up interparty contact and exchange. A second thought should be given to the NKDP's indiscreet move.

For one thing, the Japanese Socialists do not recognize Seoul as the sole lawful government in Korea in accordance with the Korea-Japan Normalization Treaty. They instead recognize the communist regime in Pyongyang, taking steady sides with North Koreans in demanding the withdrawal of

American forces from the South and supporting three-way talks among Seoul, Washington, and Pyongyang to address the inter-Korean question.

These policy stands of the JSP run counter to the official position of both the Seoul and Tokyo governments and do disservice to the cause of our search for peace and stability with due appreciation of the legitimate status and just claim of our government. In seeking broad association with JSP, the NKDP ought to heed the advice of the Foreign Ministry that such action is premature and of no good for the nation unless JSP forgoes its unrealistic Korea policy.

V/3365

CSU: 4100/024

S. KOREA/FOREIGN RELATIONS

EX-ENVOY TO JAPAN CALLS FOR LOGIC ON FINGERPRINTING ISSUE

SK060109 Seoul THE KOREA HERALD in English 6 Nov 85 p 4

[Text] Former Ambassador to Japan Choe Kyong-nok yesterday warned against pursuing a "too emotional and hasty" approach in handling such controversial issues as Japan's fingerprinting regulations for aliens.

"Emotional factors should not get in the way. The fingerprinting issue, if dealt with carelessly, may provoke emotional confrontation between the peoples of Korea and Japan," Choe said. He suggested instead that the Korean Government make steady and gradual efforts based on logic to persuade the Japanese Government to improve the system, which affects 670,000 Korean residents in Japan.

The 65-year-old diplomat was meeting with reporters upon returning home from a 5-year-2-month stint in Japan.

Referring to the bilateral trade imbalance in disfavor of Korea, Choe said he understands that the Japanese Government is fully aware of the Korean demand that the imbalance be corrected. "Many Japanese politicians and business leaders are taking the Korean demand very seriously. Many of them have the sincerity needed to correct the situation. I cannot tell when but I am sure that there will be changes in the situation," Choe said.

He noted as the most rewarding achievement during his service in Japan the exchange visits by President Chon Tu-hwan and Japanese Prime Minister Yasuhiro Nakasone. The exchange visits served as a turning point for Korea to launch diplomacy toward Japan with confidence, he added.

"In the past diplomacy between Korea and Japan was quite superficial. But now the two neighboring nations have fostered firm relations under which they can form true friendship and seek mutual benefits," Choe asserted.

Asked to comment on Japanese Prime Minister Yasuhiro Nakasone's and other cabinet members' visit to the Yasukuni Shrine in August, Choe said, "We do not have to respond too emotionally."

He noted, however, that the visit invited some criticism at home and abroad because war criminals are buried in the shrine.

Choe said he knows nothing about the reported plan by the Korean Government to invite Japanese Crown Prince Akihito.

Recollecting his past career, he said, "It seems that I have always been with good fortune and luck."

He noted that he served as Army chief of staff while in military uniform, cabinet minister in the government, a parliamentary member, and ambassador to Japan. After retiring as a lieutenant general in 1961, Choe served with the government as ambassador to Mexico in 1967, ambassador to Britain in 1971, and minister of transportation in 1974. He was elected a lawmaker in 1979. (KSC)

/9365

CSO: 4100/024

S. KOREA/FOREIGN RELATIONS

BRIEFS

JAPANESE CROWN PRINCE'S VISIT DENIED--Foreign Minister Yi Won-kyong yesterday told National Assembly Foreign Affairs Committee that the government was not considering inviting Japanese Crown Prince Akihito to visit Korea. It was the first official denial of the numerous reports relating to the Crown Prince's visit which had appeared since President Chon Tu-hwan's visit to Japan in September 1984. The subject emerged again when newly-appointed Ambassador to Japan Yi Kyu-ho was quoted by the Japanese mass media early this month as saying in an interview that the government would welcome the prince's visit, which, if realized, will be the first by a member of the Japanese royal family since the nation's liberation from Japan in 1945. [Text] [Seoul THE KOREA TIMES in English 8 Nov 85 p 1] /9365

AFKN-TV ASKED TO ADJUST BROADCAST AREA--The government has expressed a hope that AFKN-TV will adjust its broadcasting area to confine its service to those areas in which U.S. forces are stationed. Minister of Culture and Information Yi Won-hong said yesterday that the government will consult with AFKN authorities for possible adjustment of its service area. The minister was responding to lawmakers' questions at the National Assembly Education-Information Committee. "AFKN is having not a little influence on young Koreans and our own culture, and the government is wishing that the AFKN authorities would take this into account," Yi said. "In light of the great security role played by the American troops in Korea," he said, "we are withholding intervention in its programming or demand for revision of its programs." Yi pointed out that in accordance with the agreement on the status of the U.S. forces in Korea, AFKN concluded a pact with the Korea Telecommunications Authority. Under the pact, the American military television broadcasts on condition that it makes allowances for the circumstances of the host country, he said. [Text] [Seoul THE KOREA HERALD in English 9 Nov 85 p 1] /9365

BILATERAL COOPERATION WITH JAPAN--Seoul, Oct 22 (YONHAP)--Working-level officials from South Korea and Japan discussed ways to enhance bilateral cooperation at the 18th Korea-Japan Technological Cooperation Committee talks on agriculture, forestry, and fisheries, which opened here on Tuesday. The talks are scheduled to continue through Friday. Kim Han- , director of the Agriculture-Fisheries Ministry's Agricultural Policy Bureau, heads the 14-member Korean delegation. The 11 Japanese delegates are led by Toshiaki Ashizawa, deputy director general of the Agriculture, Forestry, and Fisheries Ministry's Technical Bureau. As agreed upon at the 13th annual Korea-Japan

Ministerial Conference, held last August, they are expected to discuss technological cooperation in the application of genetic engineering to agriculture and fisheries, the exchange of seedlings and seeds, and the exchange of visits by aspiring farmers and fishermen, an official here said. [Text] [Seoul YONHAP in English 0750 GMT 22 Oct 85] /9365

KOREA-IRELAND ECONOMIC COMMITTEE--Seoul, Nov 7 (OANA-YONHAP)--The Federation of Korean Industries (FKI) and the Industrial Development Authority of Ireland (IDAI) agreed Thursday to establish an economic cooperation committee in the first half of next year. No In-hwan, vice president of the FKI, and Padraic A. White, managing director of the IDAI, signed a protocol promoting economic cooperation, an FKI spokesman said Thursday. The FKI has already set up economic cooperation committees with the nine other European Community nations. [Text] [Seoul YONHAP in English 0152 GMT 7 Nov 85 SK] /9365

SOCIALIST INTERNATIONAL MEMBERSHIP FOR SDP--Kim Chol, chairman of the Social Democratic Party (SDP), said yesterday that the SDP will become a regular member of the Socialist International (SI) next year. Kim said that since the SDP is the descendant of the now-disbanded United Social Party, an SI regular member, the SDP will succeed it at an SI general meeting to be held in Lima, Peru next June. Kim and two other SDP members attended an SI Bureau meeting held in Vienna on October 14-17. [Text] [Seoul THE KOREA HERALD in English 7 Nov 85 p 1] /9365

KUWAIT-BAGHDAD FLIGHTS SUSPENDED--Korean Air suspended flights from Kuwait to Baghdad as the Kuwait authorities have recently revoked a license of KAL's service between the two points, a senior airline official said yesterday. The withdrawal of the license was apparently affected by the Korean Government's refusal of an application by Kuwait Airways to extend its Far East flights from Seoul to Tokyo, according to him. Transportation Ministry officials said that they have not approved the recent application because Kuwait has banned Korean workers from taking Korean Air, the only airline in Korea. The Kuwait Government, in its July 1984 cabinet decree, has made it mandatory for foreigners to use Kuwait's national flag carrier when they come to work in the Middle East country. Korean Air, thus, resumed flights from Seoul to Baghdad via Bahrain, the route which it was due to close from July until January next year. [Text] [Seoul THE KOREA TIMES in English 6 Nov 85 p 8] /9365

ROK-URUGUAY ECONOMIC, SCIENCE AGREEMENT--Seoul, Nov 3 (OANA-YONHAP)--South Korea and Uruguay Wednesday concluded an agreement on economic, scientific, and technology cooperation. The agreement was signed by Korean Foreign Minister Yi Won-kyong and his Uruguayan counterpart, Enrique Iglesias. Iglesias arrived here Tuesday for a 4-day official visit. The two ministers agreed to promote economic, scientific, and technological ties, to encourage capital investment and joint ventures between Korean and Uruguayan businesses, and to treat each other with "most favored nation" status. Under the agreement, the two nations will step up exchanges of information, trainees, and experts in the scientific and technological fields, and will set up a joint committee. [Text] [Seoul YONHAP in English 0159 GMT 6 Nov 85] /9365

CONSULTATIVE MEETING IN PARIS--Seoul, Nov 4 (JANA-YONHAP)-- South Korea and France are scheduled to hold their first consultative meeting Friday in Paris, the Korean Foreign Affairs Ministry announced Monday. In the working-level meeting, Korean and French officials are expected to discuss international issues of mutual concern, relations between Seoul and Paris, and ways to promote diplomatic cooperation. Chang Man-sun, director general of the Korean Ministry's European Affairs Bureau, will lead the Korean delegation, and Michel Conbal, director of the French Ministry's Asia and Oceania Bureau, will head the French contingent. [Text] [Seoul YONHAP in English 0310 GMT 4 Nov 85] /9365

ESTABLISHMENT OF EMBASSY IN MBABANE--Seoul, Oct 30 (OANA-YONHAP)--The Governments of South Korea and Swaziland have agreed to establish a Korean Embassy in Mbabane, capital of the South African country, the Korean Foreign Affairs Ministry announced Wednesday. To help set up the diplomatic mission, Charge d'Affaires Pak Kwan-un will go to Swaziland on October 31, a ministry official said. With the opening of the new embassy, the number of Korean diplomatic missions abroad will reach 124, including 18 in Africa, the official said. Seoul and Mbabane established diplomatic ties in November 1968. Swaziland does not have diplomatic relations with North Korea. The South Korean Government Monday appointed Choe Tong-chin, ambassador to Kenya, to serve concurrently as ambassador to Swaziland. [Text] [Seoul YONHAP in English 0021 GMT 30 Oct 85] /9365

CHAPTER WITHDRAWS FROM AI--The Korean chapter of Amnesty International (AI) has withdrawn from the worldwide human rights organization and disbanded in protest against AI's decision to temporarily shut down the 13-year-old local chapter, it was learned yesterday. Citing the political situation in Korea, AI's International Executive Committee (IEC) decided April 26 to temporarily close its Korean chapter, also known as AI-KOREA. On July 10, the London-based organization also confirmed its official stance on the temporary shutdown of its Korean chapter. A statement carried in the final edition of AI-KOREA's newsletter claimed that the IEC did not consult with the Korean chapter in the process of making its decision on the branch's temporary closure. The publication was issued last month. [Text] [Seoul THE KOREA HERALD in English 16 Oct 85 p 8 SK]

U.S. LIAISON OFFICES IN KOREA--Seoul, Oct. 19 (Oana-Yonhap)--The U.S. states of Alabama, Alaska and Georgia recently set up business liaison offices here, sources at the Korea-U.S. Economic Council (KUSEC) said Saturday. Other U.S. states, including Washington and Missouri, also plan to establish offices here soon. Alabama opened a Seoul office in January and Georgia set up an office in July. Alaskan Governor Bill Schefffield was in Seoul Friday for the opening of an Alaskan liaison office. The establishment of liaison offices by U.S. states reflects those states' strong interest in developing economic ties with Korea as well as growing business relations between Korea and the United States, the sources said. The KUSEC, a wing of the Korean Traders Association, has signed an economic cooperation agreement with seven southeastern U.S. states--Alabama, Florida, Georgia, North Carolina, South Carolina, Tennessee and Virginia. [Text] [Seoul YONHAP in English 0146 GMT 19 Oct 85 SK]

S. KOREA/FOREIGN TRADE

ROK, U.S. NARROW DIFFERENCES OVER FILM INDUSTRY OPENING

SK010106 Seoul THE KOREA HERALD in English 1 Nov 85 p 1

[Text] Washington (YONHAP)--Korean and U.S. negotiators have narrowed their differences considerably over the U.S. film industry's demand for greater access to the Korean market and agreed that the Motion Picture Association of America (MPAA) will not refile a suit against Korea for at least 1 month under Section 301 of the U.S. Trade Act, Yu Tae-wan, head of the Korean delegation, said Wednesday.

Yu, director of the Korean Overseas Information Service, told reporters after winding up the 3-day negotiation session that Korea will convey its detailed position on the demands of MPAA within a month. MPAA temporarily revoked a suit it had filed with the U.S. Trade Representative Office last Friday, saying it would file the suit again if the matter was not settled until Wednesday.

The American side asked in the negotiations that Korea ease various restrictions including those on the use of foreign currencies and that American branch offices be permitted to set up in Korea for distributing U.S.-made films.

Yu said the American association had taken Korea's "sincere efforts and will" to open the door wider as "a positive step in the right direction." He said it is inevitable that Korea would move toward such a goal. However, it is difficult to change laws and regulations immediately, because Korea is now in a situation to place stress on the protection of domestically produced motion pictures, Yu added.

/9365

CSO: 4100/024

S. KOREA/FOREIGN TRADE

NATION MAY APPEAL TO GATT OVER U.S. PROTECTIONIST MEASURES

SK060850 Seoul YONHAP in English 0803 GMT 6 Nov 85

[Text] Seoul, Nov 6 (OANA-YONHAP)--South Korea plans to appeal to the General Agreement on Tariffs and Trade (GATT) and other international organizations if the United States takes trade protectionist measures that violate established international conventions, according to a Trade and Industry Ministry report submitted Wednesday to the National Assembly.

The Korean Government will deal with the U.S. pressure on Korea to open its markets more widely to U.S. products through bilateral negotiations, the ministry said. But if the United States forces Korea to accept unfair, unilateral measures, the Korean Government will turn to international bodies, including the GATT and the Court of International Trade (CIT).

One such measure is the Jenkins bill, which, if enacted, would restrict the importation of textile products from Korea and other developing nations. U.S. President Ronald Reagan is expected to veto the legislation, however.

In an effort to placate the growing protectionist sentiment in the U.S. Congress, the Reagan administration will strengthen the multifiber arrangement--a multilateral agreement that sets quotas on the exportation of textile products by developing countries to advanced countries, the ministry predicted.

The Jenkins bill, if enacted, would reduce Korean textile exports to the U.S. market by 35 percent.

If the U.S. International Trade Commission decides in its final ruling next month that Korean-made albums were dumped on the U.S. market, the Korean Ministry plans to appeal to the CIT at an early date for a reexamination of the case, according to the report.

In a decision late last month, the U.S. Commerce Department imposed a 64.81 percent antidumping charge on Korean album imports, provoking a flood of protests from Korea.

The ministry plans to resolve through dialogue trade issues involving the U.S. demand that Korea open its markets to American insurance services and movies and that it protect foreign intellectual property rights.

/9365

CSO: 4100/024

S. KOREA/FOREIGN TRADE

GOVERNMENT ALLEGEDLY IMPORTS HAZARDOUS U.S. COAL

SK120055 Seoul THE KOREA TIMES in English 12 Nov 85 p 1

[Text] Korea had imported anthracite silt mixed with "petroleum coke" which is a health hazard from the United States for the past 4 years, an opposition lawmaker disclosed yesterday. Representative So Sok-chae of the New Korea Democratic Party made the allegation based on a report of the Pennsylvania Crime Commission.

In a session of the National Assembly Trade-Industry Committee, he claimed, "As a result of the imports of the coal from the United States, the number of casualties from anthracite coal gas poisoning has sharply risen here."

Denying Representative So's allegation, energy-resources Minister Choe Tong-kyu asserted that no impure element was detected in the imported coal according to the result of an examination by the Korea Coal Corporation. He said, "The OSROK imported 1.27 million tons of U.S. coal from 1979 to 1982, and 513,000 tons were found to be of low quality in calory and moisture. But there was no other problem."

The OSROK was compensated with \$1.79 million by the supplier for the substandard coal and 130,000 tons were exchanged with standard-quality coal of the same amount, the minister said in his reply.

The petroleum coke called "pet-coke" is a by-product of petroleum refining, a high sulphur, high energy, and low moisture material that looks similar to coal silt, according to the Pennsylvania Crime Commission report. The report, which was made in February 1985, also said that the pet-coke, due to its high sulphuric content, can be harmful to humans when burned. The State of Pennsylvania filed criminal complaints against people involved in the sale of the harmful fuel to Korea, Representative So said. He argued that the coal briquette gas poisoning cases have sharply increased since 1981 when coal from the United States began to be used in Korea.

He presented data to the Health-Social Affairs Ministry on the gas poisoning to support his allegation. According to the data, 391 persons were poisoned in 391 cases in 1974, while the figures rose by 7,369 victims in 6,040 cases in 1981. [Figures as received]

In 1982, 6,040 poisoning accidents took place, affecting 7,497 persons, and the number rose with 8,041 accidents affecting 8,540 people in 1983. Last year, a total of 10,813 persons were poisoned in 9,663 cases, according to the data.

Then, he proposed that the house panel form a special investigation team to dig into the imports of what he called "murderous anthracite coal" from the United States. The motion was put to a vote and was vetoed 14-15 by ruling Democratic Justice Party members. Representative So and Yun Yong-tak walked out of the session in protest. Representative So charged that government authorities "who are certain to have known the harmful nature of the coal have done nothing to protect our citizens."

Upon the completion of Representative So's allegation, the morning session of the committee was adjourned. The committee asked the Office of Supply (OSROK) to present data on the American coal imports.

The Pennsylvania Crime Commission report said: "During the early 1980's, the Crime Commission examined fraudulent practices involving anthracite silt shipments from the United States to the Republic of Korea.

"This coal silt, destined to be transformed into briquettes to heat the homes of indigent Koreans, came from suppliers in northeastern Pennsylvania and was shipped from ports in New Jersey and New York during 1981 and 1982.

"Some 265,000 metric tons of silt valued at nearly 16 million won was involved.

"During its investigation, the commission uncovered evidence of attempted bribery, fraud, and forgery which resulted in substandard coal being transported overseas."

Prior to March 1982, the OSROK handled all coal purchases from the United States. One of the first firms that OSROK contracted with to buy U.S. anthracite was United Young Co.

/9365

CSO: 4100/024

S. KOREA/FOREIGN TRADE

NATION MAY CONSIDER DIVERSIFIED IMPORT SOURCES

SK060115 Seoul THE KOREA HERALD in English 6 Nov 85 pp 1, 4

[Text] Minister of Trade and Industry Kum Chin-ho said yesterday that the government may consider importing from other countries aircraft, wheat, corn, and coal that are now coming from the United States. Kum was responding to lawmakers' questions before the National Assembly Trade-Industry Committee.

Focusing their questioning on the trade friction with the United States, committee members of rival parties urged the government to cope effectively with the U.S. protectionism and pressure for more access to Korean markets. In reply, the minister said, "We can think of taking retaliatory measures against the United States. However, I do not think it is always good to do so."

Kum made it clear that the nation upholds the principle of free trade.

Commenting on the U.S. response to the nation's plan to liberalize imports by 1988, he said that the United States is not satisfied because the timing for imports of personal computers, cigarettes, and wine is rather later than it expected.

Asked what impact the invocation of Article 301 of the U.S. Trade Act would have on the nation, the minister said that the provision is intended to ensure fair trade rather than retaliation. "If we prove through negotiations that we are engaged in fair trade, we can get away with the invocation of the article," he said.

Referring to the U.S. protectionism, the minister said that the American Congress is taking strategic advantage of trade issues and pressuring the administration with the 1986 and 1988 elections in mind.

The government, said Kum, will resort to GATT and other international organizations, if the United States takes measures that run counter to international conventions. Minister Kum said that if the Jenkins bill is enacted, it will reduce the nation's exports of textiles to the United States by 35 percent.

The government is not sure whether the bill will be approved by the U.S. Congress and it hopes that President Ronald Reagan will veto it, he said.

The minister said that the nation relies too much on the U.S. markets for export. Efforts are being made to diversify export markets, he added.

Members of the Trade-Industry Committee asked what measures the government may take to counter the U.S. trade pressure. The committee was one of the 11 committees that were convened to review the execution of budget appropriations for 1984 and hear business reports from pertinent ministries and agencies.

The Education-Information and Steering Committees did not meet.

The assembly started committee sessions, ending a week-long stalemate resulting from the startling outcome of the election of a vice speaker on October 26.

Minister Kum said that an early warning system will be introduced to monitor movements in export markets.

With regard to the U.S. pressure for the protection of American intellectual property rights, the government plans to comply with the principle that comes from a new round of global trade negotiation if Korea-U.S. negotiation collapses, he said.

The minister said that the nation will resort to international organizations to deal effectively with U.S. protectionism.

He said that the government has decided to strengthen the function of the Korean trade mission in the United States, revamping the consultant and legal counseling system there.

Representative Yun Kuk-no, chairman of the assembly Trade-Industry Committee, said that the committee plans to study the wisdom of aligning with parliaments of ASEAN countries to combat U.S. trade pressure. Yun also said that public hearings would be sponsored to sample public opinions in working out proper measures to solve trade issues with the United States.

The committee chairman said that U.S. protectionism and pressure for more access to Korean markets are posing serious problems for the nation's economy. He said that his committee would form an ad hoc subcommittee early next week to deal exclusively with the Korea-U.S. trade friction.

The forthcoming subpanel would consist of seven or eight lawmakers from rival political parties, he said.

To help the government work out appropriate measures to handle trade issues with the United States, the committee will draft a resolution addressed to the United States, the committee will draft a resolution addressed to the U.S. Congress, the chairman said. The resolution will be sent to the U.S. Congress upon approval by a plenary session, he said. As part of efforts to lobby American congressmen, the committee will dispatch delegations to Washington, D.C., he noted.

Meanwhile, Minister of Finance Kim Man-che said that the government will present a concrete plan to open up domestic insurance markets to foreigners by the end of this year. The opinions of various walks of life will be fully reflected in hammering out the plan, Kim said.

Minister of Health and Social Affairs Yi Hae-won said that the government plans to lower the population increase rate from the present 1.53 percent to 1.49 percent next year. The government will seek to peg the nation's population at 41,839,000 at the end of next year, Yi said.

In a related development, the senior vice floor leaders of rival parties agreed on a schedule for committee sessions. The timetable called for standing committees to receive briefings from relevant ministries and agencies yesterday and today. It also requires the committees to review the execution of budget appropriations for fiscal 1984 by Thursday.

Under the timetable, the standing committees will make preliminary studies of budget appropriations for fiscal 1986 Friday through next Tuesday.

/9365

CSO: 4100/024

S. KOREA/FOREIGN TRADE

NATION'S TRADE DEFICIT DECREASES GRADUALLY

SK010416 Seoul YONHAP in English 0257 GMT 1 Nov 85

[Text] Seoul, Nov 1 (OANA-YONHAP)--Korea's efforts to improve international trade balance are paying off, a top economic official here said Friday.

Trade and Industry Minister Kum Chin-ho said at a monthly export promotion meeting that Korea's trade deficit decreased from 4.4 billion U.S. dollars in 1980 to 1.1 billion dollars in 1984, and again to 300 million dollars at the end of September 1985.

To further narrow the trade gap, the government is carrying out an intensive pan-national campaign to reduce the importation of 10 major raw materials, including crude oil, food grains and pulp, and to boost the localization rate of machine parts, Kum said.

The 10 raw materials and machine parts account for 58 percent and 33 percent, respectively, of Korea's total imports.

In the first 9 months of this year, Korea's commodity exports totaled 20.7 billion dollars, down 1.2 percent from the corresponding period of 1984.

Textile, steel, and tire exports were sluggish, in the January-September period, but overseas shipments of automobiles and auto parts, computers, and peripherals, and video tape recorders increased significantly.

Exports of electronics, toys, containers, footwear, synthetic fiber, and leather bags have perked up since the beginning of the second half, Kum said.

Since the beginning of the fourth quarter, government ministries and private businesses have made an all-out effort to reach this year's 34 billion-dollar export target, Kum said.

Korea's imports totaled 2.16 billion dollars at the end of September, down 6.9 percent from the corresponding period of 1984. Imports of consumer goods, capital products and raw materials decreased by 12 percent, 11.4 percent, and 3.5 percent, respectively. While imports of raw sugar, logs, and crude oil dropped by 26.5 percent, 9.1 percent, and 7.2 percent, respectively, those of coal and pulp climbed by 29.3 percent and 1.6 percent.

/9365

CSO: 4100/024

S. KOREA/FOREIGN TRADE

ROK, INDIAN OFFICIALS TO DISCUSS WAYS OUT OF TRADE SLUMP

SK050310 Seoul YONHAP in English 0258 GMT 5 Nov 85

[Text] Seoul, Nov 5 (OANA-YONHAP)--South Korean and Indian trade officials are expected to discuss ways to break out of their current bilateral trade slump at the fifth meeting of the Korea-India and India-Korea Joint Trade Commissions, which opened here Tuesday.

Pak Un-so, director of the International Trade Bureau at Korea's Trade and Commerce Ministry, leads the Korean delegation to the 2-day meeting. The Indian delegates are headed by Ravi Sawhney, director of the Commerce Ministry's East Asia Division. Delegates from the two sides plan to analyze what caused bilateral trade to decline sharply this year.

The bilateral trade volume between Korea and India expanded by about 60 percent annually from 1980-84, reaching 1.4 billion U.S. dollars last year. Their bilateral trade has fallen significantly this year, however, totaling only 381 million dollars at the end of August.

In 1984, Korea exported 1.049 billion dollars worth of products to India and imported 380 million dollars worth from that country, the Korean Trade and Industry Ministry reported.

Korea exports mainly ships, steel products and electronic goods to India, which sells primarily iron ores and raw cotton to Korea.

In the Seoul meeting, Korea is expected to ask India to allow Korean businesses to participate in India's Seventh 5-Year Economic Development Plan, which began in the latter half of 1985, a ministry official said.

/9365
CSO: 4100/024

S. KOREA/FOREIGN TRADE

NATION'S INVISIBLE TRADE DEFICIT DOUBLED IN JAN-SEP

SK020742 Seoul YONHAP in English 0729 GMT 2 Nov 85

[Text] Seoul, Nov 2 (YONHAP)--Although Korea's visible trade deficit grew smaller in the first 9 months of this year from the corresponding period of 1984, its invisible trade deficit grew larger, the Bank of Korea reported Saturday.

In the January-September period of this year, Korea registered a deficit of more than 1 billion U.S. dollars in its invisible trade, representing a two-fold increase from the corresponding period of last year.

A bank official attributed the growth of the invisible trade deficit to a decrease in receipts from overseas construction, shipping and insurance businesses, and to increased payments in the overseas travel sector.

Receipts from overseas construction in the cited 9-month period totaled 766.8 million dollars, down 41.6 percent from the corresponding period of 1984.

As a result of declining exports and imports and of a decrease in the unit shipping price, the surpluses that Korea recorded in the shipping and insurance sectors fell by about 5 million dollars in the first 9 months of this year.

In the third quarter alone, surpluses in the shipping and insurance sectors dropped by about 85 million dollars.

In the overseas travel sector, the growth rate of payments (9.6 percent) out-paced that of receipts (5.4 percent). Payments totaled 468 million dollars in the 9-month period, but receipts amounted to 525 million dollars, according to the Central Bank report.

/9365

CSO: 4100/024

S. KOREA/FOREIGN TRADE

NATION SEEKS IMPROVED ACCESS TO EUROPEAN MARKETS

SK120028 Seoul THE KOREA HERALD in English 12 Nov 85 p 1

[Text] Korea will seek measures to improve the access of Korean goods to European markets during a consultation meeting with the European Community starting today in Seoul.

During the 2-day high-level meeting, the Korean side will also tap the possibility of increasing cooperation in technology transfer and capital investment, the Ministry of Foreign Affairs said yesterday.

A ministry official said the Korean side is expected to give priority to maintaining and expanding European markets for such commodities as textiles, clothing, footwear, steel, and consumer electronic products including video tape recorders. He said the Korean delegation is to brief the EC contingent on Korea's long-term trade liberalization policy and seek ways to expand trade with EC nations.

The two sides are also expected to exchange opinions on ways to cope with the growing protectionism in worldwide trade.

Noting that both Korea and the EC are experiencing trade deficits with Japan, the official said measures to correct the trade imbalance with Japan are likely to draw attention during the meeting.

The EC delegation is expected to raise such issues as low price sales in the shipbuilding sector, counterfeit goods, and reducing privileged access for imports from Korea.

The Korean delegation to the meeting will be led by Minister of Foreign Affairs Yi Won-kyong and the EC contingent by Willy de Clercq, commissioner for external affairs and trade policy.

The EC delegation is accompanied by a 25-member trade mission which is to contact Korean business leaders to seek joint ventures and technology cooperation.

Korea exported about \$3.2 billion worth of commodities to EC countries last year and imported some \$2.7 billion worth.

/9365
CSO: 4100/024

3 December 1985

S. KOREA/FOREIGN TRADE

FLAWS IN ROK DOCUMENTS CAUSE ANTIDUMPING CHARGE ON ALBUMS

SK070307 Seoul YONHAP in English 0257 GMT 7 Nov 85

[Text] Seoul, Nov 7 (OANA-YONHAP)--The major impetus behind the U.S. Commerce Department's decision last month to impose an exorbitantly high antidumping charge of 64.81 percent on Korean-made photo albums exported to the United States was the flaws involved in documents submitted by Korean manufacturers, it was learned here Thursday.

According to a report sent from Washington to Seoul, the U.S. Commerce Department had no choice but to impose a uniform 64.81 percent antidumping charge on all Korean-made photo albums because the documents they submitted were not credible.

The Commerce Department's antidumping investigation was based on documents submitted by six Korea album exporters. It found that the documents contained numerous errors concerning accounting, production costs, and incidental expenditures, and that the exporters used conflicting methods of calculating costs.

Some of the documents even contained basic errors in addition and subtraction, according to the U.S. Commerce Department's report.

Although the Korean album exporters asserted that the albums they exported to the United States are not sold in Korea, they failed to report in their documents the prices of albums they sold in third countries. Under the circumstances, the U.S. Commerce Department had no option but to base its calculation of the antidumping rate on documents put forth by the U.S. manufacturers that filed the suit, the report said.

At the request of the Korean album exporters, the Commerce Department gave them 60 days to prepare their documents.

The U.S. Commerce Department had no obligation to correct the erroneous figures and had no time to do so, the report added.

/9365

CSO: 4100/024

S. KOREA/FOREIGN TRADE

ROK-ASEAN BUSINESS CLUB TO VISIT THAILAND, INDONESIA

SK080410 Seoul YONHAP in English 0322 GMT 8 Nov 85

[Text] Seoul, Nov 8 (YONHAP)--The South Korea-ASEAN (Association of Southeast Asian Nations) Business Club plans to send an economic mission to Thailand and Indonesia next week, a federation of Korean industries (FKI) official said Friday. The Business Club is affiliated with the FKI.

The economic mission, which comprises 20 business leaders, is scheduled to visit Thailand, November 10-12, and Indonesia, November 13-15.

In meetings with government and business leaders in those Southeast Asian nations, the Koreans are expected to discuss ways to expand the barter trade of heavy industrial and agricultural products. They will also consider possible measures that developing countries can take to counter the ever-mounting trend toward protectionism in advanced nations, the official said.

The Korean business leaders also plan to explore ways to cope with possible U.S. restrictions of the importation of textile products. If enacted by the U.S. Congress, the Jenkins bill, which is awaiting decision by President Reagan, would restrict textile imports from Korea and other Asian countries.

The mission is also expected to discuss the issuance of visas to Koreans working in various business projects in the two ASEAN member-countries, the official said.

Other likely discussion topics will be the promotion of cooperation in the training of personnel from ASEAN member-countries and the opening of an official channel for dialogue among private business sectors in Korea and those countries, the official added.

The Korea-ASEAN Business Club was set up in April 1979 to promote cooperation among private businesses in Korea and ASEAN member-nations. The ASEAN countries include the Philippines, Malaysia, Singapore, and Brunei.

/9365

CSO: 4100/024

S. KOREA/FOREIGN TRADE

DAILY URGES CAUTION IN PROCEEDING MARKET OPENING

SK310101 Seoul THE KOREA HERALD in English 31 Oct 85 p 4

[Editorial: "Road to Market Opening"]

[Text] The timetable for phase-by-phase decontrol of imports announced by the government yesterday marks significant progress toward the goal of overall trade liberalization for which battlecries are being raised at home and abroad.

Its first stage will remove import embargoes from a total of 302 items in July next year. They include color television sets, electric amplifiers, and soda ash. It will be followed by a second decontrol package to take effect 1 year thereafter affecting 160 import goods such as passenger cars and personal computers. The third phase will liberalize 141 additional items in the latter half of 1988.

This series of measures will open the door to 603 items during 1986-88, bringing Korea's import liberalization ratio to 95.4 percent from the current 87.7 percent. Besides, the government is working hard on legislative plans to protect international intellectual property rights in the near future.

Opinions are divided over the speed and extent of liberalizing imports in the face of mounting external pressure. Demands for increased reciprocal access to each other's market is an unavoidable and natural trend of the times.

In view of the vulnerability of local industry, however, maximum caution is required to prepare our market for the possible influx of foreign products and also for effective overseas salesmanship of our businesses.

While pursuing a policy of gradual import liberalization it is important to bring our trading partners to understand that ours is not a closed market and we are moving fast enough to do our share in promoting the cause of world free trade.

/9365
CSO: 4100/024

S. KOREA/FOREIGN TRADE

TIMING, FORMAT OF INSURANCE MARKET OPENING DUE SHORTLY

SK090105 Seoul THE KOREA HERALD in English 9 Nov 85 p 1

[Text] The government plans to determine the timing and method of opening up the domestic life insurance market to foreign underwriters in the near future.

Minister of Finance Kim Man-che said yesterday that the government will hammer out a set of measures aimed at helping improve the management of the nation's insurance companies. Kim said that the Korea Life Insurance Association is working on a comprehensive plan to enable foreign insurance companies to sell life insurance policies to Korean citizens. The plan will be made available some time next week and presented to a public hearing or seminar, the minister said.

Kim was testifying before the National Assembly Finance Committee. "In this connection, the government will have no choice but to consider allowing the establishment of additional insurance companies," he said.

With regard to the proposed opening of the nonlife insurance market, Kim said that the government plans either to enable foreign insurance companies to join the fire insurance pool or to dismantle it. At present, it is mandatory to insure buildings with four stories or more against fire. The fire insurance pool is monopolized by 11 domestic underwriters.

The government, he said, plans to lower the swap margins of the branches of foreign banks operating in Korea on a gradual basis. He noted that the government had lowered the margin from 1 percent to 0.75 percent. He said it is difficult to lower the margins sharply because it undermines efforts to obtain loans through swaps.

Members of the Assembly Finance Committee dealt intensively with matters related to the opening of insurance markets as well as the debt issue.

Finance Committee Representative Yi Chae-kun of the New Korea Democratic Party described the present Korea-U.S. trade friction as bordering on a trade war. Pointing to the "unreasonableness of the U.S. trade pressure on Korea," Yi asked if the government will, nevertheless, continue to increase the number of businesses in which foreigners can make investments.

The 48-year-old NKDP legislator asserted that the government is giving too many privileges to foreign banks operating in the nation. He demanded to know how the government plans to help commercial banks liquidate their irretrievable credits.

The opposition lawmaker also claimed that if the government opens up the insurance markets to foreign underwriters, it will not only hurt the domestic insurance companies but pose serious security problems.

Representative Kim Chong-ki of the Democratic Justice Party asked why the nation's foreign debt rose by \$2.5 billion in the first half of this year. Kim pointed out that the nation's balance of international payments showed a deficit of \$920 million in the same period. The 44-year-old ruling lawmaker called upon the government to work out financial policy programs to help improve the balance of international payments.

He further proposed that an ad hoc team be created in the government to deal exclusively with matters concerning the management of the foreign debt.

/9365

CSO: 4100/024

S. KOREA/FOREIGN TRADE

REPORT ON JAPAN'S IMPORT RESTRICTIONS REGARDING ROK PRODUCTS

SK110505 Seoul YONHAP in English 0308 GMT 11 Nov 85

[Text] Seoul, Nov 11 (OANA-YONHAP)--Although Japan records an annual trade surplus of about 3 billion U.S. dollars with South Korea, it restricts the importation of 18 major Korean export items, including silk products, fish, and leather shoes, according to a Korean Government report released Monday.

In the report, submitted to the National Assembly, the Trade and Industry Ministry accused the Japanese Government of complicating customs clearance and inspection procedures for Korean products, and of engaging in direct restrictions and administrative guidance.

The report said that the Korean Government is continuing to demand that the Japanese Government abolish administrative guidance procedures for imported Korean cotton yarn. The procedures were drawn up by the Japan Textile Council.

Six Korean products, including raw silk, silk products, fish, and leather shoes, are subject to direct import restrictions, according to the report.

The exportation of 11 other Korean items--medical equipment, cosmetics, telecommunication devices, cigarettes, socks, furniture, steel products, sports shoes, and electric and electronic goods--have also been blocked by complicated procedures, the report said.

The ministry explained that medical equipment must be approved by pharmacists and medical doctors recognized by Japan's Ministry of Health and Welfare before it goes through customs clearance procedures, and that garments must pass through prior reporting systems and a prolonged evaluation period. As a result of the complicated procedures, importers are usually worn out, the report said.

Only Japanese importers who have manufacturing facilities for cosmetics are allowed to import Korean-made cosmetics, and during the import process, even qualified importers are subject to detailed examinations.

Imported cigarettes are subject to a monopoly tax of 56.6 percent and a 20 percent tariff. Cigarettes cannot be imported until they have recorded an experimental sales record of more than 600,000 packs, according to the report.

The sale of furniture on the Japanese market is almost impossible, because of excessively complicated safety inspection procedures, the report said.

Sport shoes containing leather parts are subject to Japan's import quota for leather shoes.

Electric and electronic goods are required to meet Japanese standards, according to the report.

/9365

CSO: 4100/024

S. KOREA/FOREIGN TRADE

MINISTER EXPLAINS MEASURES TO COPE WITH PROTECTIONISM

SK010647 Seoul YONHAP in English 0630 GMT 1 Nov 85

[Text] Seoul, Nov 1 (YONHAP)--South Korean Foreign Minister Yi Won-kyong said Friday that Korea should follow all customary international trade practices as it opens its market step by step to foreign products, in order to continually expand its exports.

U.S. congressional moves to enact protectionist legislation against imports from Korea and the Reagan administration's pressure on Korea to open its markets more widely are likely to deepen trade frictions between Korea and the United States, Yi said.

In a monthly trade promotion meeting at the presidential residence here, Yi said that the Foreign Ministry plans to resolve the Korean-U.S. trade friction through dialogue and negotiations. As the ministry negotiates with the U.S. Government, Yi said, it will do its utmost to ensure that Korean-made products have access to the American markets. He said that the U.S. administration's new trade policy is based on the expansion of balanced trade.

"Korea should cope with the problems from a long-term perspective, accepting small things instead of seeking bigger ones," the foreign minister said.

Although the U.S. market-opening pressure seems to be centered on Korea, all other countries that record trade surpluses with the United States are also receiving pressure from the U.S. Government in different ways, he said.

Yi said that Korea will participate in the new round of trade negotiations in an effort to deter the efforts by the U.S. Government to enact protectionist legislation. He predicted that the trend toward protectionism in the United States will gain momentum next year, when that nation holds an off-year election.

"We should accurately understand the background of the Reagan administration's new trade policy announced in September, and we will have to work out proper measures to cope with future developments, considering national interests," he said.

/9365
CSO: 4100/024

S. KOREA/FOREIGN TRADE

BRIEFS

DUMPING CHARGE INVESTIGATION--Seoul, Nov 9 (OANA-YONHAP)--The U.S. Commerce Department is scheduled to send an investigative team to Seoul late this month or early next month to review charges that Korean-made color TV sets were dumped at an average rate of 10.65 percent on the U.S. market, an official source here said Saturday. Korea's three major household appliance manufacturers--Gold Star, Samsung, and Daewoo--requested that the Commerce Department come here to review the antidumping charges and to make readjustments. In a final antidumping ruling late last year, the Commerce Department imposed antidumping rates of 7.47 percent on Gold Star, 12.23 percent on Samsung, and 14.88 percent on Daewoo. The Korean TV manufacturers contended in their requests to the Commerce Department that the average 10.65 percent antidumping rate should be adjusted, because the domestic sales prices of their products have been reduced considerably since the final ruling was made. In addition, the TV sets investigated last year have become outmoded. When it comes to Seoul, the U.S. investigative team will evaluate the business performance of Korean TV makers between May 1, 1984, and March 31, 1985, the source said. Under the U.S. Trade Act, the Commerce Department must review its antidumping charges biennially, and it must review its antidumping charges after 1 year if requested to do so by the foreign companies affected. [Text] [Seoul YONHAP in English 0222 GMT 9 Nov 85] /9365

ROK, JAPANESE SILK TALKS--Seoul, Nov 5 (OANA-YONHAP)--South Korean and Japanese officials are scheduled to meet here on Wednesday and Thursday to discuss Korea's exportation of raw silk and silk products, including yarns and fabrics, to Japan, the Korean Foreign Ministry announced Tuesday. The officials are expected to discuss Japan's unfulfilled agreement to import 14,400 bales of Korean raw silk (worth 40 million U.S. dollars) from 1981-83 and establishment of a raw silk export quota for 1984-85 and a thrown silk yarn export quota for 1985. The possible expansion of Korea's exportation of silk fabric to Japan will also be on the agenda of the 2-day meeting. Unlike raw silk and thrown silk yarn exports, silk fabric exports are voluntarily regulated by the Korean Government. So Pyong-yong, deputy director general of the Korean Foreign Ministry's Asian Affairs Bureau, will lead a 12-member Korean delegation, and Tomio Uchida, councilor for economic affairs at the Japanese Embassy in Seoul, will head a 12-member Japanese contingent. [Text] [Seoul YONHAP in English 0143 GMT 5 Nov 85] /9365

U.S. MARKET-OPENING DEMANDS--Seoul, Nov 6 (OANA-YONHAP)--The United States is strongly demanding that South Korea open its market to nine U.S.-made items and that it reduce its tariff rate on wood, the Economic Planning Board (EPB) reported Wednesday. In a report to the National Assembly, the EPB said that the United States is asking Korea for access to such U.S. commodities as cigarettes, razor blades, microcomputers, hayed alfalfa, fruit juice, fruit cocktail, oranges, orange juice, and meat. The United States is also demanding that Korea allow the establishment of U.S.-Korean joint-venture advertising companies in Korea and that it give foreign bank branches operating in Korea the same rights and privileges that it grants to local banks, according to the EPB report. The United States asserts that by the end of next year, Korea should enact legislation protecting intellectual property rights, including copyrights and software and material patents. In addition, the United States is pressuring Korea to liberalize its life and fire insurance markets and to allow U.S. film companies to set up branch offices here, the EPB said. [Text] [Seoul YONHAP in English 0809 GMT 6 Nov 85] /9365

U.S. TRADE, MARKET DEMANDS--Seoul, Nov 5 (YONHAP)--In response to mounting U.S. pressure on Korea to open its markets, the Korean Government is considering a plan to switch its source of imports for certain products from Japan and Australia to the United States, according to a Korean Government report released Tuesday. The government also plans to work out measures to cope with the U.S. demand that Korea open its service market and that it protect U.S. intellectual property rights, according to the report, which the Trade and Industry Ministry submitted to the National Assembly. If the negotiations between Seoul and Washington fail to produce an agreement, the government will follow the principles to be established by the GATT's (General Agreement on Tariffs and Trade's) new round of multinational trade negotiations, the report said. To complement its import liberalization policy, the government plans to take antidumping measures, including the imposition of "emergency" tariffs on some commodities suspected of being dumped on the Korean market. To facilitate trade with the United States, the government plans to rearrange the system of consultants and solicitors used by private businesses. It will also encourage Korea's major private companies to set up offices in Washington, the report added. [Text] [Seoul YONHAP in English 0825 GMT 5 Nov 85] /9365

CONSTRUCTION CONTRACT IN IRAQ--Seoul, Nov 4 (YONHAP)--Hyundai Engineering and Construction Co. of Korea has won a 208.5 million U.S. dollar contract to build four ultrahigh-voltage transformer stations in Iraq, a company spokesman said Monday. Yi Myong-pak, president of the Korean firm, and Subhi Yassin, Iraqi minister of industry and minerals, signed the contract in Yassin's office in Baghdad on September 28. The contract is the largest ever for construction of transformer stations anywhere in the world, the spokesman said. Under the terms of the contract, Hyundai must build a 400-kilovolt station at four sites in the suburbs of the Iraqi capital by the latter half of 1987. The Korean company will build the stations on a turnkey basis, from design to test operation, the spokesman said. It will use transformers and other equipment produced by the Hyundai Electrical Engineering Co., a subsidiary of the Hyundai group, he added. Hyundai recently won a 754-million-dollar contract to construct a large-scale repair shipyard in Iraq. [Text] [Seoul YONHAP in English 0713 GMT 4 Nov 85 SK] /9365

U.S. ECONOMIC PRESSURE--Seoul, Oct 30 (OANA-YONHAP)--The United States, faced with the prospect of continued slow economic growth, an enormous trade deficit, and congressional elections next year, is expected to step up its pressure on Korea and other newly industrialized nations to open their markets more widely to American products and to curb imports. Sources at the Economic Planning Board forecast Wednesday that the U.S. economy, which registered a 7.1 percent growth rate last year, will grow by only 2.7 percent this year. The growth rate next year is expected to remain as low as this year's level. The lethargic growth rate of the U.S. economy could increase the United States' unemployment rate and trade deficit in 1986, the sources said. Those developments could intensify the protectionist trend in the United States, thereby reducing the trade expansion rate of advanced countries from 8 percent in 1984 to 4 percent in 1986, they said. The likelihood that the economics of Japan and Western European countries will also stagnate next year has created dim prospects for Korea's export environment, the sources added. [Text] [Seoul YONHAP in English 0126 GMT 30 Oct 85] /9365

CSO: 4100/024

S. KOREA/INTERNATIONAL COMMENTARY

KOREA TIMES PREVIEWS REAGAN-GORBACHEV MEETING

SK090045 Seoul THE KOREA TIMES in English 9 Nov 85 p 4

[Editorial: "Pre-Summit Maneuvers"]

[Text] With only 10 days left for the crucial summit talks between U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev in Geneva, a flurry of preparatory works--along with what was suspected as deliberate maneuvers and public relations campaigns--have taken place not only in the two superpowers but in other parts of the world.

Earlier this week, U.S. Secretary of State George Shultz visited Moscow for a final round of pre-summit consultations with the Kremlin, a journey which turned out to be less than satisfactory and which, moreover, was capped by the sensational, if not mysterious counterdefection of a Soviet spymaster, Vitaly Yurchenko, in Washington.

In the words of President Reagan, the Yurchenko affair and two other incidents in which Soviet citizens took refuge with U.S. officials and then changed their mind might have been a "deliberate ploy" by Moscow.

On the other hand, there was a minor controversy over Mr Reagan's "gaffe" or confusing account given in his unprecedented interview with Soviet journalists about the "star wars" program, which is expected to be a most divisive issue at the Geneva summit.

A fortnight ago, the U.S. President stressed, in his address before the United Nations General Assembly, the need for an agreement between the superpowers to resolve regional conflicts, citing five world trouble spots. The overture touched off speculation that Washington might be trying to downgrade arms control as the top-priority issue of the summit, though the initiative for settling regional problems was welcomed by many countries concerned, including Korea.

In the meantime, Washington and Moscow exchanged proposals for a deep cut in their nuclear arsenals, an arms control issue which invariably remains a dominant global concern awaiting a meaningful breakthrough at the Reagan-Gorbachev meeting.

As things stand now, particularly in light of the poor result of Mr Shultz' visit to Moscow, the prospects appear to be slim that the Geneva meeting, a 2-day encounter, will produce any stunning or concrete agreements.

Still, the superpower summit is expected--and indeed counted on--by the world community at large to chart a constructive and far-reaching path for ameliorating East-West relations, which have been chilled during the past several years, and for improving international stability and order.

/9365

CSO: 4100/024

N. KCREA/POLITICS AND GOVERNMENT

NODONG SINMUN ON FACTORS DEFINING MAN'S SOCIAL POSITION

SK090507 Pyongyang KCNA in English 1502 GMT 8 Nov 85

[Text] Pyongyang November 8 (KCNA)--Only a man with the consciousness of independence and creative ability can be a powerful being capable of dominating and transforming the world and can fulfill his responsibility and role as the master of the society, says NODONG SINMUN today in an article headlined "Consciousness of Independence and Creative Ability, Factors Defining Man's Social Position and Role."

The article notes:

The higher the independent consciousness of the people is, the faster the struggle for creating new material conditions and socio-political, ideological and cultural conditions for an independent life be accelerated and the higher their social position and role be enhanced through this struggle.

The party members and working people fully armed with the consciousness of independence and our party's line and policy are striving for their implementation, going through fire and water. This reality proves what weighty significance the consciousness of independence carries in enhancing the social position and role of the people.

What powerful being man becomes and how successfully he shapes his own destiny largely depends on the extent of his creative ability.

An important factor of the creative ability is scientific knowledge and sound physique. This is why we must energetically strive to obtain necessary scientific knowledge.

The greater the creative ability of man, the higher the social position and role of the popular masses. This is clearly borne out by the fact that our younger generation which received chuche education has emerged the main force of the resolution to satisfactorily discharge its noble mission in all fields of socialist construction.

Dear Comrade Kim Chong-il indicated that consciousness of independence and creative ability determine the social position and role of man and gave a profound exposition of the purpose, content and methods of education and human remoulding, in socialist society.

This is a great contribution to the development of the theory of socialist education and the chuche-based theory of the revolution.

We must direct big efforts to rearing the party members, working people and the younger generation to be revolutionary personnel equipped with the consciousness of independence and creative ability and constantly improve and strengthen socialist education and the work for training communist personnel.

/12712

CS0: 4100/027

N. KOREA/ECONOMY

APPLICATION OF TAEAN SYSTEM IN MANAGEMENT URGED

SK100716 Pyongyang KCNA in English 1517 GMT 10 Nov 85

[Text] Pyongyang November 9 (KCNA)--NODONG SINMUN today dedicates an article titled "Strict Application of Main Spirit of Taean System in Economic Management" to the 23rd anniversary of the publication of the great leader President Kim Il-song's classic work "On Further Developing the Taean Work System" (November 9, 1962).

Noting that the Taean work system is to ensure the collective leadership of the party committee and let the producer masses participate in all production activities as masters. The revolutionary essence of the Taean work system lies in making the producer masses take their position as masters of managing activity and play their role as such.

What is most important in actively drawing the producer masses into economic management in keeping with the main spirit of this work system is to conduct industrial management under the collective guidance of the party committee.

The party committee's collective guidance makes it possible to manage industry by resting on the collective wisdom of the producer masses, doing away with subjectivity and arbitrariness of one or two persons.

It firmly guarantees the producer masses their position as masters of industrial management and enables them to fully display their creativity as such by working out concrete direction and way for the implementation of the party's policy through sufficient discussion with the producer masses.

The collective leadership of the party committee guarantees effective administrative and economic work by dynamically rousing the masses through a powerful political guidance and the political work, the work with people with precedence given to it.

What is also important in enhancing the enthusiasm of the functionaries and producer masses as masters in the main spirit of the Taean work system is to give fuller scope to the initiatives of local areas and enterprises.

The Taean work system makes it possible to implement the mass line more successfully by giving bigger powers and relative independence to the lower units so that fullest scope could be given to the responsibility and initiatives of the

collectives of local areas and enterprises in fulfilling the plans. A very justifiable step of our party in giving full play to the initiative of the lower units in keeping with the demand of the Taaan work system is that it enhanced the role of the complexes.

The complex makes it possible to apply more strictly the principle of the collective guidance of the party committee, with the party committees directly controlling and guiding the party organizations of the lower enterprises.

It is our party's consistent method of mobilizing the masses laid down in the Taaan work system to correctly use the economic levers, giving precedence to the political work.

A great progress has been made in our national economy in powerfully rousing the enthusiasm of the masses by correctly using the economic levers, while giving precedence to political work, in conformity with the main spirit of the Taaan work system, stresses the article.

/12712

CSO: 4100/027

N. KOREA/ECONOMY

BRIGHT FUTURE FOR NONMETALLIC MINERALS EXPORT

Pyongyang FOREIGN TRADE in English Nov 85 pp 8-9, 21

[Article by Li Chang Hui]

[Text]

Today, the demand for nonmetallic and rare-metallic minerals is on the rapid increase at international markets.

This is related to the fact that the world consumption of these minerals is growing more and more as their utilization range has become wider owing to the development of new science and technology.

This notwithstanding, the world production of these minerals is insufficient to fully meet the present demand and their resources are limited.

These objective conditions afford our country the possibility of increasing the export of nonmetallic and rare-metallic minerals, for it is favoured with abundant resources of various kinds of minerals and a great production potentiality.

Our country is rich in mineral resources. A foreign geologist who had studied underground resources of our country said, "Korea is a specimen room of useful minerals."

This is correlated with the history of crustal development of our country. Metamorphic bed accumulated in the remote geological age is laid in a vast area and later big crustal movement, magmatic movement and volcanic activity formed extremely diverse and abundant mineral resources in our country.

There are over 70 kinds of nonmetallic minerals that have already been explored. And scores of them have been exploited and utilized in industries.

In recent years, our country is launching more vigorously than ever before the struggle for the allround exploitation and utilization of underground resources in

order to step up the Juche-orientation, modernization and scientization of the national economy and attain the ten long-term objectives of socialist economic construction in the 1980s.

The great leader President Kim Il Sung said:

"We should survey and register all the mineral resources of the country, prepare enough new producing centres for coal and iron ore, locate more deposits of nonmetallic and nonferrous minerals including various alloying element minerals, and concentrate our efforts on developing oil resources to open up wide prospects for its production."

Upholding the teaching of the great leader, strenuous efforts have been directed to the exploitation and utilization of underground resources and great progress has been made in the exploration and development of the resources of nonmetallic and rare-metallic minerals.

With exploratory works waged vigorously, mineral reserve has been increased and new deposits discovered and then a large amount of fund has been invested for diversifying the kinds of products and increasing the amount of products.

Thus, the conditions for expanding sharply the export of nonmetals and rare metals have been created.

Magnesite is the largest in deposit among non-metallic minerals of our country and is most promising in export. Our country leads the world in the deposit of magnesite and in the export of magnesia clinker. This is well known to the world.

The export prospect of graphite is also very fine.

Graphite, high in electric and heat conductivity, high in resistance against heat and most stable chemically, is used widely as an electrode in electric metallurgical furnaces, a solid antifriction and a refractory material. Demand for graphite is also increasing in the fields of nuclear-power industry and electronic industry.

Graphite deposits of our country are abundant of which crystalline graphite holds a great proportion. Our graphite has been exported in large quantities and won a high reputation at international markets for its high quality.

In recent years, new large-scale graphite fields were confirmed and one of them is the largest in those ore bodies which have been discovered so far in our country.

These ore bodies are favourable to mining on a large scale because they form slow pitches and are long, wide and very thick.

Talc is one of the export items worthy of note.

It is widely used as an acid-proof, refractory and electric insulating material and as a filling, additive and filtering material in the production of paper, rubber, synthetic resin, cosmetics and pharmaceuticals. It is also employed as a raw material of ceramic industry.

Our country has long since exported talc lumps and powder in large quantities. Our talc is unanimously welcomed by buyers for its high whiteness, extreme softness and fine particles.

Recently, demand for our talc has increased several times and we have satisfied it fully.

In recent years, the production of diatomite, bentonite and kaoline similar to talc in utilization has been sharply increased. Therefore, there will be a great possibility for their export. They will hold a remarkable proportion in the export of nonmetallic minerals.

Cyanite will remain, as in the past, as one of the main items in the export of nonmetallic minerals.

Cyanite is widely used as a raw material in the production of aluminium, refractories, enamel, electro-technical porcelains and refractory cement. Demand for it is continuously growing. Our country is directing great efforts to producing and exporting cyanite rich in our country.

Kaolinite is one of the main items in the export of minerals for raw materials of ceramics.

Ceramic industry has developed in our country since ancient times and our ancestors could produce ceramics such as Koryo porcelain famous to the world. This is related to the fact that our country abounds in quality minerals used as raw materials of ceramics including kaolinite.

Our high-grade kaolinite contains less impurities such as iron, calcium oxide and magnesium oxide which give bad effect to the quality of ceramics, so that it is effectively used in the production of quality ceramics.

Besides kaolinite, tens of kinds of nonmetallic minerals necessary for ceramic production are buried underground in our country and they are also good export items.

Fluorite is used as flux in metallurgical industry. It is a precious raw material of aluminium industry. It is widely used in ceramic industry and in the production of agricultural chemicals.

Our country rich in fluorite resources had mined and used only high-grade natural ores in the past. But in recent years, as demand for fluorite rapidly grows at home and abroad, it is massproducing high grade concentrate through developing new mines and establishing dressing systems.

Moreover, fluorite is also produced as the gangue mineral with lead and zinc whose product is rapidly growing. The output of this fluorite holds a big portion, too. In some lead and zinc veins all the veinstone is composed of fluorite and its particles are so large as to be separated easily. Therefore, the production of lead and zinc concentrates just means the production of fluorite concentrate.

Fluorite is a nonmetallic ore that is literally inexhaustible in our country.

Barite holds a large proportion in the export of nonmetallic minerals.

Barite is high in demand because it is the sole mineral to produce barium and its salt and is used in diverse fields including the boring of oil fields, food industry, chemical industry and pharmaceutical industry.

Barite mined in a large quantity in old big mines and newly developed mines will be exported in lump and powder.

Monazite, zircon and tantalum-niobium mineral are reserve minerals deposited in quantity since long ago and easily dressed. So, we have fine prospect for production. However, they have been produced not much because of a limited demand.

However, the development of electronic industry, heat industry, nuclear power industry and chemical industry has come to demand a large quantity of these minerals which are used as precious alloy elements and rare elements.

In keeping with the growing demand for them our country is taking appropriate measures to increase their production on a full scale.

We bring these minerals to the international market for the first time, expecting that their export amount will be greater.

It is not so long since ilmenite and titanium oxide concentrates began to be exported, but export prospects for them are good because the demand for them is great and the conditions for their production are comparatively favourable.

Besides them, our country abounds in precious nonmetallic and various rare-metallic minerals including sericite, vermiculite, pottery stone, zeolite, rhyolite, opal, dolomite and silica which are in good demand in international markets. It has a broad prospect of mass-producing and exporting them in large quantity.

△ ANIMATED EXPORT AND IMPORT CORPORATION

Nonmetallic minerals are mainly exported by the Korea Nonferrous Metals Export & Import Corporation (Address: Potonggang District, Pyongyang, DPRK. Cable add.: "YUSAEK" Pyongyang. Telex: 5352 YUSAEK KP).

The business activities of the corporation is unprecedentedly brisk. The number of foreign businessmen who want to import our nonmetallic and rare-metallic minerals is increasing and many contracts for export have been concluded.

Business activities to expand the production of export goods and to ensure the transportation are being carried on briskly.

The corporation is active for increasing the export under the circumstances in which subjective and objective conditions for expanding sharply the export of nonmetallic and rare-metallic minerals are matured and broad vistas are opened.

According to information, the corporation has received orders for over 20 kinds of new minerals from many countries at the beginning of this year.

Orders are also very large. As for some minerals, a certain country or company has ordered tens of thousands of tons.

Many orderers requested us to export them in long terms and regularly.

The increase in the number of heavy and regular buyers is a predominant trend in the trade of these minerals.

The corporation expects that the orders for them will continuously increase.

The corporation is launching on a large scale the work for satisfying the growing demand for them.

The corporation is taking economic and technical measures for increasing their production by over 1.5 times or 2-3 times within 1-2 years in the existing mines.

The work for producing in quantity new kinds of minerals by developing new mines in reserve is stepped up in a wide range.

Existing dressing plants are rebuilt or expanded and new dressing plants are built so as to satisfy the qualitative requirement of foreign demanders by producing high grade minerals.

The corporation has received proposals for jointly developing mineral resources of the country from foreign countries. The corporation is studying these proposals and making a contact with businessmen of many countries for the realization of joint development.

These energetic business activities of the corporation will bear good fruits.

The corporation is carrying out its business activities optimistically in the prospect that the export of nonmetallic and rare-metallic minerals will grow by ten times within 1 to 2 years and by scores of times within 2 to 3 years.

Indeed, the export prospect of them is splendid.

The rapid increase of their export will contribute to the strengthening of cooperation between our country and many countries of the world.

/9317

CSO: 4100/026

N. KOREA/SOCIAL CONDITIONS

KCNA ON NUMBER, TRAINING OF TECHNICIANS, SPECIALISTS

SK051025 Pyongyang KCNA in English 1011 GMT 5 Nov 85

[Text] Pyongyang November 5 (KCNA)--The ratio between workers and technicians, specialists has surpassed 7:1 in Korea.

The number of technicians and specialists has reached 1,250,000 in our country.

The overwhelming majority of the Korean population had been illiterate in the preliberation days. There were only scores of university graduates. Much less was the number of technical university graduates.

After the country's liberation great significance was attached to the training of native cadres and much efforts were directed to the education work.

From 1975 the universal compulsory 11-year education was fully introduced through the universal compulsory primary education, the universal compulsory secondary education and the universal compulsory 9-year technical education.

A big stride forward has been made in higher education, too.

The number of universities increased from 19 to 78 in the period of the five-year plan starting from 1957 and to 170 in 1980.

Last year alone witnessed the appearance of 30 universities.

The number of technicians and specialists has also increased.

It grew from 133,000 in 1961 to over 497,000 in 1970.

During the six year plan period (1971-1976), the number of technicians and specialists rose to 1,000,000.

Today technicians and specialists are trained at 232 universities and hundreds of colleges.

Korea has a powerful base for the training of cadres in the capital and a comprehensive cadres training base in each local area to train necessary technicians and specialists by herself.

Along with the full-time regular educational system, factory colleges, farm colleges, fishermen's colleges and the college of university level and factory higher specialized schools where students study while on the job are operated briskly in our country.

The intellectualization of the whole society has now been put on the order of the day in Korea.

The intellectualization of the whole society is aimed to make all members of society fully developed men of communist type with a cultural and technical level like that of the university graduates.

/12712

CSO: 4100/027

N. KOREA/KOREANS IN JAPAN

KOREAN RESIDENTS IN JAPAN SUPPORT SOUTH KOREAN STUDENTS

Chongyon Functionaries Support Struggle

SK150455 Pyongyang KCNA in English 1510 GMT 14 Nov 85

[Text] Tokyo November 12 (KNS-KCNA)--Functionaries of the General Association of Korean Residents in Japan (Chongyon) issued press statements in support of the anti-U.S., anti-"government" struggle of South Korean students.

Chon Yon-sik, chairman of the Federation of Korean Traders and Industrialists in Japan, said:

14 students of seven universities belonging to the "General Federation of Students" in South Korea occupied the building of the Seoul office of the American Chamber of Commerce and struggled in demand of "an end to economic aggression" by the United States and "withdrawal of its support to the Chon Tu-hwan military dictatorial 'regime'". This reflected the ever mounting anti-U.S. sentiments of the South Korean people today and dealt a heavy blow at the U.S. imperialists and the Chon Tu-hwan puppet clique.

This struggle powerfully demonstrated at home and abroad the staunch fighting spirit of the students and marked another occasion in the anti-U.S. struggle.

No Chae-ho, chairman of the Central Education Association of Koreans in Japan, noted that the occupation of the building of the Seoul office of the American Chamber of Commerce is an expression of resolute resistance against the U.S. imperialists' policy of colonial slavery.

Pak Chong-hyon, chairman of the Central Standing Committee of the Democratic Union of Korean Women in Japan, said that this struggle was an eruption of pent-up anger of students and a righteous struggle reflecting their vital demand for a new life and a new policy.

Expressing indignation at the barbarous torture of students by the puppet clique, she said she would actively support the righteous struggle of the South Korean students and strive to rouse public opinion at home and abroad to denounce more vehemently the U.S. imperialists' occupation of South Korea and the Chon Tu-hwan bandits' brutal fascist suppression.

Pak Kwang-taek, chairman of the Central Standing Committee of the Union of Korean Teachers in Japan, said the struggle of South Korean students this time showed that they are aware that to struggle against the United States and for independence is the only just road to be followed by the nation.

He declared that the U.S. imperialists must not interfere in the internal affairs of Korea but withdraw from South Korea at once, taking along all their lethal weapons including nuclear weapons and the Chon Tu-hwan puppet clique must put an end to the fascist suppression of students and unconditionally and immediately release the arrested students and all political prisoners.

Japan-Resident Koreans Support Struggle

SK151110 Pyongyang KCNA in English 1045 GMT 15 Nov 85

[Text] Pyongyang November 15 (KCNA)--Korean youth and students in Japan held a meeting in Osaka on November 9 at which they expressed fervent support and encouragement to the South Korean students in their righteous anti-U.S. struggle for independence.

Kim Chong-kwang, chairman of the Osaka Headquarters of the League of Korean Youth in Japan, said in his report: The occupation of the Seoul office of the American Chamber of Commerce by students of Seoul universities was an eruption of the long pent-up wrath of the South Korean students and people at the colonial enslavement policy and aggressive economic policy of the U.S. imperialists. It dealt a heavy blow at the U.S. imperialists and the Chon Tu-hwan puppet clique.

Members of the League of Korean Youth in Japan made speeches. They were unanimous in resolving to take an active part in the fulfillment of patriotic tasks for national reunification in solidarity with the South Korean students in their patriotic struggle.

/12712

CSO: 4100/027

N. KOREA/FOREIGN RELATIONS

DPRK SIGNS COOPERATION AGREEMENT WITH ZAMBIA

SK110427 Pyongyang Domestic Service in Korean 1200 GMT 7 Nov 85

[Text] On 1 November, Alexander Grey Zulu, general secretary of the Zambian United National Independence Party [UNIP], met with the WPK delegation led by Kil Chae-kyong, deputy director of a department of the WPK Central Committee.

The meeting was attended by the chairman of the Political and Judicial sub-committee of the UNIP, administrative and political secretaries of the party Central Committee, and the ambassador of our country to Zambia.

At the meeting, the leader of the delegation conveyed the greetings of the great leader Comrade Kim Il-song and dear Comrade Kim Chong-il to Zambian President Kenneth David Kaunda.

The general secretary expressed deep thanks for this and asked the leader of the delegation to convey the greetings of President Kenneth David Kaunda and the UNIP Central Committee, as well as his own greetings, to the great leader Comrade Kim Il-song and dear Comrade Chong-il.

He stressed that the friendly relations between the two countries and two parties of Zambia and Korea are developing excellently on the basis of the close friendship between the great leader Comrade Kim Il-song and President Kenneth David Kaunda.

He also said that the UNIP and the Zambian people will actively support and encourage the Korean people's cause of national reunification in the future, too.

The meeting proceeded in an amicable atmosphere. That day, a cooperation agreement was signed between the WPK and the UNIP.

/12712

CSO: 4100/027

END

END OF

FICHE

DATE FILMED

18 December '85